

MINUTES OF REGULAR MEETING
OF
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A regular meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held at 3:00 p.m. on June 20, 2023 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, pursuant to notice duly given in accordance with law.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

A roll call of the Directors was taken. The Directors present were:

Dennis Daniel – President
Terri Purdy – Vice President
Ron Meyer – Secretary
Gary Grass – Assistant Secretary
John Genter – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also present at the meeting were Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Mark Kestner with Murfee Engineering and Makenzi Scales with Inframark.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC and residents Leslie Daniel, Pattie Webster, Pat Lawler and Sandy Lake.

3. PUBLIC COMMENTS

Sandy Lake asked if there was any meaningful feedback from the May 20th community event with the HOA, WCID and Inframark. President Dennis Daniel reported there was a small crowd of about 20 people. There was nothing significant but there was some discussion on erosion control matters. Sandy Lake inquired about the status of the emergency notifications. Manager Makenzi Scales noted that Inframark is working on emergency contact notifications. Inframark will have a new billing system that will have those features and the system should be ready to launch in October.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion. Motion was made by Secretary Ron Meyer and seconded by Vice President Terri Purdy to approve the May 23, 2023 meeting minutes as presented. The motion carried unanimously.

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake reported on three HOA updates. The HOA will be installing lights in the parking lot at the pavilion by the end of summer. They will also have the parking lot sealed and striped. That project should take one day to finish. Lastly, the HOA is also working with Urban Dirt on erosion items. The HOA will also contact the District's committee on these issues. President Dennis Daniel inquired about the type of sealant the contractor will be using for the parking lot. President Dennis Daniel is aware that some of those sealants are known to have runoff of oils and oil biproduct and does not want any runoff to occur. Sandy Lake will review the contract and advise of the sealant that will be used.

Secretary Ron Meyer noted that there were a few erosion issues in the landscape areas. Secretary Ron Meyer did not feel that it rose to the level of Board action and wanted to report that the HOA has fixed those issues and thanked them for doing it.

Bookkeeper Allen Douthitt was not in attendance at this time, therefore President Dennis Daniel moved to Item No. 7.

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Committee Reports
 - i. Communications
 - ii. Utility Operations
 - iii. Land Use & Water Quality
 - iv. Finance, Budget & Audit
 - v. Water Conservation & Drought Management
 - vi. Operations Contract Review
 - vii. Wastewater Effluent Reuse

Secretary Ron Meyer reported that the HOA is looking at additional amenity locations.

Assistant Secretary Gary Grass had nothing to report on regarding variances to Drought Contingency Plan requirements. President Dennis Daniel noted that this item may be coming up soon due to the current conditions.

President Dennis Daniel reported that he has received various resident reports and is working with Inframark on these.

Secretary Ron Meyer received an email in Inframark regarding a culvert at Adam Trail with debris in it. The HOA inquired as to who was responsible for that clean up. There was discussion as to who is responsible for the cleanup, the HOA or District and it appears it is the HOA's issue. Assistant Secretary Gary Grass stated that he was also notified that along the bank of the creek, near the trail, there is erosion cloth and debris. After discussion, if the debris is not causing drainage issues, then it would be the HOA's issue. Assistant Secretary John Genter stated that he would be happy to help.

Assistant Secretary Gary Grass would like to get a general sense of the revenue from the new District rates. Bookkeeper Allen Douthitt stated that he would need to get the information for usage and the tiers. Assistant Secretary Gary Grass does not want this to be complicated, just a feel as to what the rates have done with the reserve. This can be discussed more during budget analysis.

President Dennis Daniel advised that the wastewater effluent reuse matters will be discussed in the Engineer's Report at the end of the meeting.

6. FINANCIAL REPORTS AND REQUEST FOR AUTHORIZATION FOR PAYMENTS OF BILLS

Bookkeeper Allen Douthitt discussed the financials with the Board. The District can see the effect of the recent rate increase. The budget is to the good this month. President Dennis Daniel asked if Hays County responded to the tax collection inquiry. Bookkeeper Allen Douthitt advised that he has not yet received a response. The District is current 97.14% collected, with \$73,000 remaining.

Engineer Mark Kestner discussed the special and general engineering fees from his spreadsheet and what charges went into the general line item in the budget. President Dennis Daniel advised this is the information that he was looking for. Bookkeeper Allen Douthitt wanted to clarify that the item was misclassified and not misappropriated as mentioned by Engineer Mark Kestner. Mr. Kestner agreed that the charges were miscategorized and that he misspoke. President Dennis Daniel would also like Engineer Mark Kestner and Bookkeeper Allen Douthitt to continue to work together on the calculation of engineering fees for general projects. Assistant Secretary Gary Grass noted that the Murfee Engineering invoice was not received this month. Engineer Mark Kestner will check on that.

After discussion of the financials, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve payment of the invoices and per diems. The motion carried unanimously. President Dennis Daniel entertained another motion. Motion was made by Assistant Gary Grass and seconded by Assistant Secretary John Genter to authorize the three fund transfers as discussed. The motion carried unanimously.

President Dennis Daniel moved to Item No. 9 Manager's Report at this time.

9. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS

- a. Administrative
- b. Wastewater treatment plant and effluent subsurface irrigation
- c. Wastewater collection system
- d. Water distribution system
- e. Stormwater conveyance and pond maintenance
- f. Customer matters, complaints, reports and updates
 - i. Trail use for access and mud on roadways
- g. Customer billing and delinquencies
- h. Authorizations for expenditures related to contracts, repairs, replacements, operation improvements and maintenance
- i. Zane Furr Landscaping Contract Amendment

Manager Makenzi Scales discussed the Executive Summary as included in the agenda package.

Manager Makenzi Scales reported that the Inframark operators would like to get the wastewater treatment plant site cleaned up from accumulated parts, trash and debris. Currently, there is not a dumpster at the plant site. Manager Makenzi Scales is requesting a one-time cleanup by Kuts & Kleans in the amount of \$1,055 with additional labor charge. The dumpster will be a 40-yard dumpster. Manager Makenzi Scales would like the District to consider a permanent dumpster at the plant site. Manager Makenzi Scales will come back to the Board with a proposal for a permanent dumpster to be included in the regular solid waste agreement that is handled by the HOA. President Dennis Daniel stated that the dumpster will need to be kept behind the gate and not out in the open. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Gary Grass and seconded by Vice President Terri Purdy to approve a trash haul with labor charge as presented. The motion carried unanimously.

In regard to the wastewater treatment plant and effluent subsurface irrigation, all District facilities are in compliance for the month of May. The wastewater plant is running at 96%, the total flows are 2.378 MG and the average flows are 76,739 GPD. There was discussion of these numbers being too high and there might actually be an error in the numbers.

Manager Makenzi Scales reported on issues at the mixer. The mixers need to be pulled and inspected and to have a thorough cleaning. The mixers are currently offline. They have both been tripping regularly and the Inframark operators believed they are ragged up. Inframark also noticed the chains are not in place to allow for easier inspections. President Dennis Daniel is very confused about this issue and asked how this could happen within one year of construction. This issue will need to be looked at as a warranty claim. Engineer Mark Kestner will check on the timing. President Dennis Daniel would like a full report on this matter in July and operations need to coordinate with the engineer on this matter. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Vice President Terri Purdy to approve the Alterman quote of \$5,339.00 for the pulling, inspections and de-ragging of mixers as presented. The motion carried unanimously.

Manager Makenzi Scales discussed a pool deposit issue. A homeowner was upset that they had not received their \$1,500.00 pool deposit back in eight weeks. Manager Makenzi Scales noted that these requests usually go through the Board, but that they can now go through the bookkeeper. President Dennis Daniel stated that the deposits are not at Board level and should be processed timely. Manager Makenzi Scales discussed the process of the pool deposits and President Dennis Daniel reiterated that no Board action is needed, the system has been working. This is in no way the Board's fault. Once Inframark provides the information to Bookkeeper Allen Douthitt, the deposit refund is processed through the bookkeeper's account.

Sandy Lake asked that the dumpster at the wastewater plant be coordinated with the HOA Manager Matt Bland, as well as the schedule to clean the mixers. Ms. Lake would like HOA Manager Matt Bland to be aware of what is going on and be able to notify the nearby neighbors that a crane will be in the area for that cleaning.

Assistant Secretary Gary Grass inquired about the pond reports. He would like to see an initiated date and finish date on the reports. Manager Makenzi Scales will include that information going forward. There was also discussion on the sludge monitoring in the ponds. Is the Windmill Pond fountain working to keep the sediment under control? Manager Makenzi Scales is working on getting an answer to that question.

President Dennis Daniel discussed the uptick in flows. The District was averaging around 55,000 GPD and then it jumped 20,000. How did this happen? The Board should have been notified immediately on this issue. Inframark should not rely on the Board to catch these types of issues.

Manager Makenzi Scales reported on the Inframark employee driving on the trails. This was a new hire and it has been addressed with him and will not happen again.

There was discussion of applying road base to the entrance to the wastewater plant so that mud will not be tracked down the streets within the District. Manager Makenzi Scales will come back next month with a solution. President Dennis Daniel advised that they can wash off the mud with a cleaner truck, however do not wash down the drains. The District should be an example to the residents.

The Consumer Confidence Report will be finalized and filed with the TCEQ and sent to all residents. There was discussion of the testing locations and process. No Board action is required, however Attorney Bill Flickinger likes the Board to review it and provide any comments.

There was discussion of Zane Furr's Landscaping Contract Amendment. Assistant Secretary Gary Grass asked about the access roads around the ponds, as that is not on the exhibit of areas to maintain. Manager Makenzi Scales stated that Mr. Furr already mentioned that he would maintain those areas. She will contact Mr. Furr on that addition to the exhibit. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant

Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the Amended Landscape Maintenance Agreement with the addition of access roads. The motion carried unanimously.

8. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater treatment plan
 - i. Effluent Irrigation Improvements and Authorizations; Review of Bids; Award of Contract
- b. Water Supply and Distribution Systems; LCRA Contract – current reservation
- c. Stormwater and Water Quality System
- d. Emergency Management Plan(s)
- e. Long-term Improvements and Asset Management Plan
- f. Approvals Related to Ongoing Construction Contracts
- g. Approvals to Upcoming Construction Contracts

Engineer Mark Kestner discussed his engineer's report as included in the agenda package.

As previously discussed, the District's Texas Land Application Permit expires in 2024. MEC has begun work on the renewal application. MEC will be submitting the application with a 10-year renewal period rather than the 5-year renewal period since the District's system is built out.

Assistant Secretary Gary Grass inquired about the recent pay application in regard to the District's budget and the timeframe of the payment. President Dennis Daniel asked that the Projects List be kept up to date.

The Board and consultants went into detailed discussions on the effluent irrigation improvements and authorizations and review of the bids. There are two alternatives to consider, replacement and repurposing. The District can irrigate all the area or go in the direction to only irrigate a portion of the District. Engineer Mark Kestner presented a drawing of the system and discussed the following: possibility of not using the existing skid or the new skid and/or adding a separate pumping station for surface irrigation. The alternative is more to operate but is less mechanical. President Dennis Daniel discussed his Comparison of Alternatives for Treated Wastewater Effluent Disposal report as included in the agenda package. President Dennis Daniel discussed the currently designed improvements and the minimum improvements as two alternatives to consider. There was also discussion of the LCRA grant. Stacy Pandey with the LCRA has been notified of the situation with the effluent irrigation project and another extension should not be an issue. The minimum improvements will only provide effluent for surface irrigation along Reunion Ranch Boulevard from Bear Creek to FM 1826 at a cost around \$375,000 and will benefit 2/3rds of the District. This alternative may reduce the \$100,000 LCRA grant by 33%. The currently designed improvements will be sufficient to supply treated effluent for irrigation throughout the District at a cost around \$555,000 and the LCRA grant of \$100,000 would be fully available. Attorney Bill Flickinger discussed the current bid and the fact that if the minimum improvements are considered, the design will need to be rebid. All parties discussed the possibility of contacting the low bidder to discuss lowering the costs. The key notes are: the cost difference between the alternatives may not be as much if the current design can be value

engineered and if the District goes with the minimum improvements, the project will need to be rebid. Essentially, does the District spend additional money over the minimum required improvements to get pumps sufficient to irrigate the entire District and that would use less potable water year to year? The current bid will need to be extended. Assistant Secretary Gary Grass stated that the District should maximize its effluent use. Vice President Terri Purdy asked if the District could afford to pay for the full current designed improvements and Assistant Secretary Gary Grass advised that after review of the District's financials, the District is capable of doing it. After considerable discussion of the processes, bidding information and other topics, the Board decided to: look closer at both alternatives and need to make a decision on the current bid. Attorney Bill Flickinger discussed the LCRA reservation amount. President Dennis Daniel advised that he included in his analysis the benefit of not having to include that reserve amount and not having to pay overcharges to the LCRA.

President Dennis Daniel announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item No. 8(a)(i). The Board went into closed session at 5:18 p.m.

At 5:42 p.m., President Dennis Daniel announced that the Board of Directors had concluded its closed session and was returning to open meeting, and that no action was taken during the closed session.

President Dennis Daniel stated that he appreciates the residents' patience during closed session.

Motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to authorize the District's Engineer to contact the lower bidder to extend the bid, negotiate costs and consider the results of negotiation at the July 18th board meeting. The motion carried unanimously.

Motion was then made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to authorize the District's Engineer to investigate a redesign of effluent pump station for an optimal design similar to what was presented and bring the results back to the July 18th board meeting. The motion carried unanimously.

Sandy Lake asked if the Board's decision will impact the HOA's work on the effluent diagrams and President Dennis Daniel advised that the HOA should continue to work through location of the effluent lines.

Pattie Webster asked if the Board has decided if it will irrigate with effluent on the entire neighborhood or just a portion of it. President Dennis Daniel advised that it has not yet made that decision.

Leslie Daniel discussed the amount of effluent used for the downhill portion of the District or both. There was also discussion of still having to purchase potable water for irrigation for certain months.

Pattie Webster asked if the effluent irrigation proposal was for the whole District or just the downhill area. President Dennis Daniel reiterated that the District's engineer has been authorized to negotiate with the low bidder to lower the costs of the project and has asked the District's engineer to investigate a redesign of the effluent irrigation project. The current contract is for the entire District. Pattie Webster asked if there is a redesign, will it need to be rebid and the answer was yes per District counsel.

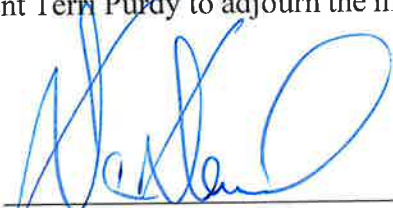
Assistant Secretary Gary Grass thanked President Dennis Daniel for his detailed analysis on this project.

10. ATTORNEY REPORT AND REQUESTED ACTIONS
a. Legislative Update

Attorney Bill Flickinger discussed the Legislative Update with the Board. The Directors will receive a raise in per diems. A Resolution will be on the next agenda to consider this action, as well as the Amended Information Form, with revised Notice to Purchaser.


11. ADJOURN

President Dennis Daniel entertained a motion to adjourn. Motion was made by Assistant Secretary John Genter and seconded by Vice President Terri Purdy to adjourn the meeting at 6:10 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]