

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 January 16, 2024 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 B. 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 and Bryce Canady with Murfee Engineering and Dragan Sonnier with Inframark and Laura Jones with Maxwell Locke & Ritter.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Makenzi Scales with Inframark, Allen Douthitt with Bott & Douthitt, PLLC and residents Mark Olson, Leslie Daniel and two other residents.

3. PUBLIC COMMENTS

No public comments were made.

4. §49.063(c), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger reported that this is an annual requirement since the District holds its meetings outside of the District. If a petition is filed, the Board will review it in accordance with the Water Code.

5. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion for approval of the minutes. Motion was then made by Assistant Secretary Gary Grass and seconded by Vice President Terri Purdy to approve the December 19, 2023 meeting minutes as revised. The motion carried unanimously.

6. UPDATES REGARDING REUNION RANCH HOA MATTERS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials and budget with the Board. The Hays County tax reports still have not been received so the District's report shows zero tax collection. President Dennis Daniel asked about the overages in the monthly budget for sewer repairs and maintenance, legal and engineering fees. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the financials and authorize payment of the invoices and per diems and three fund transfers as discussed. The motion carried unanimously.

8. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCK & RITTER

Laura Jones with Maxwell Locke & Ritter discussed the audit with the Board. The District received an unmodified/clean opinion, which is the best given. The District fund balances are all positive and show a healthy District. The District's net position showed increases. The District's property tax collection was 99.4%. Laura Jones discussed the required communications. There were no new accounting policies and no difficulties with management in performing the audit. Laura Jones thanked Allen Douthitt's personnel for all their hard work. Assistant Secretary John Genter thanked everyone for all the work that went into the preparation of the District's annual audit. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the audit and authorize execution and filing of the Annual Filing Affidavit as required. The motion carried unanimously.

9. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Public Hearing on Amended Water Conservation Plan

- d. Amended Water Conservation Plan
- e. Disposition of Capital Project Funds; Resolution Requesting Approval of Use of Surplus Bond Proceeds; Proposal from Murfee Engineering on preparation of TCEQ Application for Use of Surplus Bond Proceeds
- f. Temporary bar screen repairs
- g. Overall plan to improve wastewater plant efficiency and effluent irrigation
- h. Amended Effluent Disposal Contract between the District and HOA
- i. Update on HOA irrigation improvements
- j. Requirements for approval of swimming pools
 - i. Rate Order
 - ii. District Rules and Regulations
- k. Request for weekly reports by Inframark
- l. May 4, 2024 Director's Election; Candidate Applications to be submitted between January 17, 2024 and February 16, 2024
 - i. Order Calling Directors Election (*Orden para convocar una Elección de Directores*)
 - ii. Contract for Election Services with Hays County (*Contrato de servicios electorales con el Condado de Hays*)
 - iii. Joint Election Agreement (*Convenio de elecciones conjuntas*)

There were no action items for Items a & b above.

President Dennis Daniel opened the public hearing on the Water Conservation Plan. Hearing no comments, the public hearing was closed. Engineer Mark Kestner discussed the minor changes to the Water Conservation Plan. President Dennis Daniel noted that the LCRA changed the improvement scale from 5% to 1%, which was welcomed. President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adopt the Water Conservation Plan as presented. The motion carried unanimously. Vice President Terri Purdy will arrange for the Plan to be posted on the District's website. Assistant Secretary Gary Grass stated that he has some conservation literature he would like posted on the website as well. LCRA has a \$600 rebate representing half of what you would spend on irrigation, mulch, putting in new irrigation and some other items for pool installation, covers and aeration. Assistant Secretary Gary Grass will gather some additional information on the rebate and come back to the Board.

Assistant Secretary Gary Grass then discussed the report from the Flume project. The District sold 37 devices out of the 50 available for the rebate program, which equates to 74% of the available devices. Overall, the District had a 7% take rate, and Flume's experience is usually 2.5%. All that being said, the District has been successful with this program. LCRA no longer has the funds to support the Flume program and asked if the Board has any interest in funding the individuals. Maybe the \$600 LCRA rebate can be used for this program. President Dennis Daniel

liked that idea and asked that Assistant Secretary Gary Grass look into it and bring it back to the Board.

Attorney Bill Flickinger stated that Murfee Engineering submitted a proposal for preparation of the surplus funds application. Assistant Secretary Gary Grass stated that he talked to Bookkeeper Allen Douthitt and wondered if the Board could take another run at this project and use surplus funds to service, repair and/or replace previously bonded facilities, such as the bar screen instead of submitting an application to the TCEQ. Attorney Bill Flickinger explained the process. He advised that since the District exceeded its bond authorization and the developer was not fully reimbursed, and that the developer agreed as to how the District could spend those surplus funds and a TCEQ application is needed for the 210 irrigation improvements. Bryce Canady, VP of Operations at Murfee advised that they have analyzed the costs and previous submissions and the TCEQ applications for surplus bond proceeds are running between \$15,000 to \$20,000 to prepare. After discussion of Murfee's proposal and the costs related to the TCEQ application, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve Murfee's Engineering proposal for the preparation of the TCEQ Application, not to exceed \$18,580.00. The motion carried unanimously.

Manager Makenzi Scales discussed the bar screen repairs. The repairs have been completed. Rage Industrial Solutions LLC submitted a proposal to replace the basket. However, she would like to discuss it with Engineer Mark Kestner and then will bring it back to next month's meeting. There have been no issues with the repair thus far.

Engineer Mark Kestner discussed the overall plan to improve the wastewater plant efficiency. He has been working with the committee but does not have a plan to submit today. He will provide the plan to the committee soon. The intention is to do as much as possible but to keep under \$150,000 budgeted amount. President Dennis Daniel advised that he does not yet have a proposal from Malone/Wheeler on the HOA effluent irrigation repairs. President Dennis Daniel would like to approve the construction contract for the effluent lift station and engineering contract for the HOA effluent irrigation improvements at the same time next month. Engineer Mark Kestner advised it would be a very tight deadline to accomplish those tasks. After discussion, motion was made by President Dennis Daniel and seconded by Vice President Terry Purdy to authorize the District's engineer to solicit three proposals for construction of the approved effluent design for Phase 1, and that approval of the design be delegated to the Utility Operations Committee. The motion carried unanimously. The recommendation for award and contract will be considered at the February board meeting.

There was discussion on the Amended and Restated Effluent Disposal Contract. Assistant Secretary John Genter discussed the details of the contract. The District committee is ready for approval. President Dennis Daniel entertained a motion. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to authorize the Board President to execute the Amended and Restated Effluent Disposal Contract once all the information is complete and work through those additions with the HOA. The motion carried unanimously.

Attorney Bill Flickinger reported that he is still working on the Rate Order and Rules and Regulation to incorporate requirements for approval of swimming pools. The District will also incorporate the information from the Water Conservation Plan that was adopted today. This item will be discussed at the February board meeting. Assistant Secretary Gary Grass noted that the Water Conservation Plan attaches the District's Rate Order and will need to be updated accordingly. There may be some additional inspections fees and deposits relating to installation of swimming pools.

Assistant Secretary John Genter stated that he reached out to Inframark on providing weekly updates on the wastewater treatment plant operations in the District. This information will help the Board speak to the residents in a position of knowledge. Manager Dragan Sonnier prepared a spreadsheet and will be providing the information on a weekly basis. The intent is for a quick email to the Board each week with any details that might be helpful and will help with communications.

Attorney Bill Flickinger discussed the upcoming directors' election. There are two positions up, being Secretary Ron Meyer and Vice President Terri Purdy. After discussion, motion was made by Vice President Terri Purdy and seconded by Assistant Secretary John Genter to adopt the Order Calling Directors' Election as presented. The motion carried unanimously. If an election is held, Hays County will conduct the election. Hays County Election Division is still preparing the necessary Election Services Contract and Joint Election Agreement. Motion was made by Assistant Secretary John Genter and seconded by Vice President Terri Purdy to authorize the Board President to approve and execute Agreements once they have been prepared by Hays County. The motion carried unanimously.

Assistant Secretary Gary Grass reported that the District ended the year with the LCRA at 91% water consumption. The District's efforts to conserve water were fruitful. The District's MAQ is 350 and the District came in at 318.25 for the year. There will be no excess charge this year for water usage.

11. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater Collection and Treatment Plant
 - i. Wastewater Flows and Trends
 - ii. Improvements
 - iii. Operational Issues
 - iv. Proposed improvements to increase wastewater plant efficiency and to provide effluent irrigation; authorization in connection with same
- b. Water Supply and Distribution Systems
 - i. Water Flows and Trends
 - ii. LCRA Contract – current reservation
- c. Long-term Improvements and Asset Management Plan
- d. Emergency Management Plan(s)
- e. Stormwater and Water Quality System
- f. Approvals Related to Ongoing Construction Contracts
- g. Approvals to Upcoming Construction Contracts

President Dennis Daniel inquired about the two graphs in the engineer's report that showed high levels. President Dennis Daniel asked that a note be included on those graphs to flag that those levels may have been erroneous, and the District did not discharge that much. President Dennis Daniel also asked that the District's Capital Improvement Table stay updated and to drop all completed projects from the schedule.

10. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS

- a. Administrative
- b. Improvement of wastewater treatment plant operations
- c. Sludge hauling expense
- d. Wastewater treatment plant and effluent subsurface irrigation
- e. Wastewater collection system
- f. Water distribution system
- g. Update on Enforcement of Watering Restrictions
- h. Stormwater conveyance and pond maintenance
- i. Customer matters, complaints, reports and updates
- j. Request by resident to encroach into easement for construction of swimming pool
- k. Customer billing and delinquencies
- l. Authorizations for expenditures related to contracts, repairs, replacements, operations improvements and maintenance

Manager Dragan Sonnier discussed the lift station 1 generator repair. The lift station has been sending out various alarms over the month of October through present. After multiple call outs and technical repairs, more extensive repair is needed. Inframark obtained a proposal for the repair, which is \$10,500 including labor. The generator is on and working but is still sending out alarms due to the bad control board. Manager Makenzi Scales discussed the proposal with the Board. Assistant Secretary Gary Grass noted that the District is not charged sales tax. Assistant Secretary John Genter asked if freight and mileage were included in the proposal. Manager Makenzi Scales advised it was not. The cost ranges from \$300-\$500. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the proposal for the lift station 1 generator repair. The motion carried unanimously.

Manager Makenzi Scales discussed a leak adjustment in the amount of \$764.50. The leak was repaired, and the owner provided the necessary documentation. President Dennis Daniel thought the committee could approve leak adjustments. Assistant Secretary Gary Grass asked which committee should review this. President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the leak adjustment as presented. President Dennis Daniel asked about the cause of the leak. Manager Makenzi Scales stated that it was an irrigation valve. There was discussion of the age of the irrigation system, which must be less than six years old. After discussion, the motion carried unanimously. President Dennis Daniel entertained another motion on delegation for leak adjustments. Motion was made by President Dennis Daniel and seconded by Assistant Secretary

John Genter to authorize the Water Conservation & Drought Management Committee to work with Inframark to approve leak adjustments up to \$2,000. The motion carried unanimously.

Vice President Terri Purdy asked about dripping faucets during cold weather events. Assistant Secretary Gary Grass found information that it is not recommended if the water is supplied by ground storage tanks and pumps. President Dennis Daniel reported that the District's water supply is from a pressurized tank. Vice President Terri Purdy stated that with that information, the Board can provide better guidance to the residents in the District. The WTCPUA's information is generic advice due to serving various systems. Dripping faucets cause wastewater flows to increase significantly, during cold weather events, which can cause major issues at the wastewater plant. If residents drip their faucets, maybe they can set up a catchment device so that the water can be used for other uses and not run down the District's system. Right now, the Dripping Springs School District is closed due to not having potable water. At some point, maybe the District can get an overview of how the District's water supply works, which would be very helpful for the Board and residents of the District. President Dennis Daniel stated that is a great idea and suggests that after the upcoming directors' election, possibly in June, the District can schedule a presentation of the overview of the water supply system for about 30 to 45 minutes.

Vice President Terri Purdy stated that the gravel drop at the wastewater treatment plant entrance looks better and seems to be effective. She asked that Inframark check its effectiveness after the next rain event.

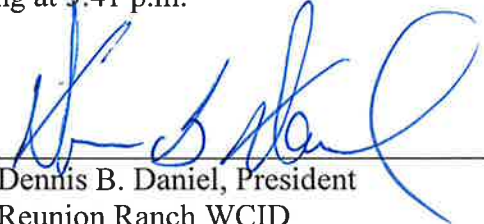
12. ATTORNEY REPORT AND REQUESTED ACTIONS
 - a. Report on investigation of bar screen issues

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. 12. The Board went into closed session at 4:18 p.m.

At 5:41 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.

13. ADJOURN

President Dennis Daniel adjourned the meeting at 5:41 p.m.


Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:

A handwritten signature in black ink, appearing to read 'Ronald F. Meyer', written over a horizontal line.

Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]