

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 February 20, 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 (Via Zoom)
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 Greg Alves with Murfee Engineering and Dragan Sonnier with Inframark.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Vice President Terri Purdy, Makenzi Scales with Inframark, Allen Douthitt with Bott & Douthitt, PLLC, Dennis Lozano and Blake Dunnahoo with Malone/Wheeler and residents Mark Olson, Sandy Lake, Leslie Daniel, Robert Fedor and Pattie Webster.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel had some clarification comments to the minutes, to which he provided to Jeniffer Concienne. After discussion, President Dennis Daniel entertained a motion for approval of the minutes. **Motion was then made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to approve the January 16, 2024 meeting minutes as revised. The motion carried unanimously.**

6. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake reported on a few HOA related items. First, she wanted to give some feedback on a couple of Inframark employees, Nick & Jesse that identified themselves as they were working on cleaning out culverts behind her house and on Windmill Trail when she was out for a walk. Sandy Lake appreciated being made aware of that information. The HOA also watered the greenbelt over the weekend, due to the spraying that Urban Dirt did. Sandy Lake reported that the HOA approved the purchase and installation of license plate reading camera from Block Safety. This can help with theft within the District, as it was reported that a vehicle was stolen from a residence last week.

Lastly, Assistant Secretary John Genter reported at the last HOA meeting, it was discussed that Urban Dirt will apply a product called Top Choice on the greenbelts for fire ant control and was asked if the WCID would do the same on the effluent irrigation fields and Reunion Ranch Boulevard. The cost of the product and its application will be \$1,176.88. The Top Choice application must be done by someone holding a license. Assistant Secretary John Genter was not sure if the District's landscaper, Zane Furr has that license. The HOA removed some of the Roosevelt bushes in the culverts and asked if the WCID would be willing to remove some of those as well. Manager Makenzi Scales advised that is something that Inframark does. There was discussion of the LCRA meeting regarding revisions to the watering restrictions to be held tomorrow and the HOA asked that the WCID keep them abreast of the decisions as they come across from the LCRA. Secretary Ron Meyer asked about the cost of the fire ant control and its application. Attorney Bill Flickinger asked the District's manager and engineer if there are any restrictions with putting this type of fire ant control on the District's effluent irrigation fields. Manager Makenzi Scales and Engineer Mark Kestner have not heard of it having any restrictions. President Dennis Daniel asked what type of product Top Choice is. Assistant Secretary John Genter advised that the HOA committee did a lot of research on Top Choice and believed it was a right fit for application through the District.

Secretary Ron Meyer reported that he received a call from Fire Wise and the HOA trail committee on maintenance to a drainage area. They wanted the water diverted into a ditch, instead of over the concrete trail. They will provide more information on what needs to be done, which sounds like maintenance items.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. For the most part, the District looks good. The budget year-to-date is tight. Assistant Secretary Gary Grass inquired about the impact fee payment and Bookkeeper Allen Douthitt advised those are fees charged to customers when they apply for new service through Inframark. However, the water impact fees are pass-throughs paid to the WTCPUA. President Dennis Daniel asked about the water revenue and the water purchases. The expense savings seem much more than the revenue shortfall and that seems to be missing something, perhaps timing. Bookkeeper Allen Douthitt indicated that it could be lag in reporting and the built in figure for an annual 10% water loss. There was discussion of the high costs for sewer repairs and maintenance and additional pond maintenance. Manager Makenzi Scales reported on the unfavorable operating costs and advised that she is not aware of any sludge hauling recently but wanted to point out that the sludge hauling numbers also includes running of the belt press at the plant. Those costs should be separated and not put together, since running of the belt press is considered an operations item. When discussing sludge hauling costs, it is hard to tell the actual cost with the belt press costs when they are included in the total cost. President Dennis Daniel stated that the sludge hauling costs are actually looking better as of recent. Manager Makenzi Scales will review the sewer repair costs and get back with President Dennis Daniel. In regard to the higher than usual pond maintenance costs, Inframark is working on the inlets and curbs and will phase in the maintenance on a quarterly basis. This will not run over budget on an annual basis. Attorney Bill Flickinger discussed the unfavorable legal fees, which is driven by a lot of non-routine activity including the upcoming directors' election, bar screen investigation, multiple revisions to the WCP and DCP, Rate Order, Rules & Regulations, Amended and Restated Effluent Disposal Contract with the HOA and the 210 irrigation improvements. Engineer Mark Kestner discussed the unfavorable engineering costs, which included work on the bar screen, 210 irrigation improvements, gravel road review, multiple revisions to the WCP and DCP and moving forward with the District's surplus funds application. President Dennis Daniel stated that the District needs to find savings, as it is running a bad trend with costs. Bookkeeper Allen Douthitt stated that he received the Hays County tax information and the District's tax levy. If all the taxes are collected at the end of the year, it will generate additional funds to help the bottom line. 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 financials and authorize payment of the invoices and per diems and fund transfers as discussed. The motion carried unanimously.**

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Drought Contingency Plan; Revenue impacts/Rate Order
- d. Resolution Requesting Approval of Use of Surplus Bond Proceeds
- e. Temporary bar screen repairs
- f. Overall plan to improve wastewater plant efficiency and effluent irrigation
 - i. Proposals for construction of effluent irrigation facilities

- ii. Contract for consideration of effluent irrigation facilities
- g. Update on HOA irrigation improvements; Statement of Qualifications for engineer in connection with HOA effluent irrigation improvements
- h. Contract with engineer in connection with HOA effluent irrigation improvements
- i. Requirements for approval of swimming pools
 - i. Rate Order
 - ii. District Rules and Regulations
- j. May 4, 2024 Director's Election (*4 de mayo de 2024 elección de directores*) (Bill Flickinger)
 - i. Any and all action that are necessary or appropriate related to the directors election (*Todas y cada una de las demás acciones que sean necesarias o apropiadas relacionadas con la elección de directores*)

President Dennis Daniel stated that the potential fire wise/trail maintenance was briefly discussed by Secretary Ron Meyer above under the HOA update.

There was no action item for Item b above.

President Dennis Daniel reported on the Drought Contingency Plan and LCRA updates. It is clear that the District will be going to once a week watering this summer unless there is substantial rain in the hill country. The District needs to be prepared in terms of communications, revenue impact and possible rate adjustment. Secretary Ron Meyer asked about the watering violations from last season and Manager Makenzi Scales reported none were noted. Assistant Secretary John Genter inquired about rewards for those residents that already are conserving water with improvements to irrigation, etc. He noted that something to watch out for when preparing for these restrictions is the water consumption for a family of two versus a family of five. The District does not want to penalize residents for living normally due to the size of their family. President Dennis Daniel and Engineer Mark Kestner stated that sub-surface drip irrigation is not subject to the watering conservation restrictions. Assistant Secretary Gary Grass reported that the LCRA has a residential rebate program available for improvements to their irrigation systems, mulch, etc. Residents can apply by going on the LCRA's website. The LCRA's plan is set for final approval in May. Assistant Secretary Gary Grass believes the changes to the DCP can be addressed in an amendment and not a complete revision to the DCP. Assistant Secretary Gary Grass discussed the possible revenue impact due to once-a-week watering. It is estimated to be around a \$43,000 annual hit to the budget, but appears that the District can absorb that hit. In the alternative, President Dennis Daniel discussed a possible surcharge to the upper watering tiers to absorb the lost revenue. Secretary Ron Meyer stated that if the District can absorb the lost revenue, then he is not sure about the surcharge and therefore asked if there are any reserves available. President Dennis Daniel asked Bookkeeper Allen Douthitt to review the financials so that the District can act if needed. The revisions to the DCP will be reviewed and at the April board meeting, a public hearing will be held, along with adoption of the revised DCP. President Dennis Daniel reviewed the lake combined storage projections as prepared by the LCRA. For the March board meeting, the committee needs a baseline number for the District's watering information, such as total usage

and distribution for revision of the DCP. Vice President Terri Purdy stated that the information on the LCRA rebate should be sent to the residents for their information. Assistant Secretary Gary Grass will provide that information for distribution.

The surplus funds application is not yet ready for approval. This item has been tabled until the March board meeting.

President Dennis Daniel reported that the bar screen repairs have been completed. Manager Dragan Sonnier discussed the Rage Industrial Solutions proposal in connection with the bar screen basket re-fab. The current bar screen that is in place will be removed and used as a backup. The cost of the replacement is \$7,500. After discussion, President Dennis Daniel entertained a motion. **Motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to approve the proposal as presented. The motion carried unanimously.**

Engineer Mark Kestner discussed his power point presentation on the plan for effluent irrigation improvements and overall plant efficiency, with the options of submersible turbine pumps or skid mounted pumps, which included his recommendation. Engineer Mark Kestner reported that in the beginning, the project goal was to provide effluent irrigation to the HOA system to meet the District's water use reduction goals and maintain irrigation to the common areas at a decreased cost. Back in January, 2023 was the first time this project was put out to bid for the irrigation skid pumps and associated construction. At that time, there was only one bidder at a cost of \$512,250.00. After review and discussion of that bid, it was recommended that the District engineer start looking at altered plans and additional steps to increase the competitiveness of the bids. In May 2023, the project was rebid and received two bids at that time. After reviewing those bids, the costs were still too high and not in the best interest of the District. The District's engineer went back to review the project and altered the design criteria. The pumps should perform multiple functions for efficiency when possible. There are two options being submersible turbine pumps or the skid mounted pumps. Engineer Mark Kestner explained the two options with the Board. The submersible turbine pumps will go directly into the effluent storage tank and would utilize the irrigation and drip field demands, as well as the tank filling demands. The initial phase would be solely for irrigation and the subsequent phases would add on functionality. The second option would be to go with the skid mounted pumps alternative. The pricing for this option is just for the irrigation and the drip field. The skid pumps pricing came in about a quarter of the original cost. The pumps are not certified, so it cannot be used to pump potable water but that does not matter with this application. The skid pumps can be used for irrigation and drip field demands, but not the tank filling. Engineer Mark Kestner reported that both options will fulfill the design constraints, can handle the flow and heads and both can meet the irrigation and drip requirements. However, the current drip field skid pumps would be decommissioned in both options but the operational costs for both options will be pretty much a wash at the end of the project cycle. Both options will utilize the same filters, meters and valve styles. Engineer Mark Kestner stated that with both options, he will recommend some type of enclosure, at a cost of \$15,000 to \$18,000. After his presentation, Engineer Mark Kestner's recommendation is to proceed with the skid pumps option. If the Board concurs with his recommendation, he advises the Board to purchase the skid pumps and solicit proposals for installation. This will allow the lead time to start for receiving the skid pumps. The original concrete pad can be used for the new pumps. Attorney

Bill Flickinger asked when obtaining the \$62,000 bid for the skid pumps, were there at least three proposals solicited. Engineer Mark Kestner advised that he did solicit three proposals at that time but would now ask the Board to approve solicitations for the skid pumps. Attorney Bill Flickinger stated if the cost is over \$25,000, three bids must be solicited. The Board discussed the costs and pros and cons of both options. Assistant Secretary Gary Grass is in favor of the skid pumps. Assistant Secretary John Genter is curious of longevity of both options. President Dennis Daniel likes the submersible pumps, as he believes it is more elegant, straightforward, and easier to maintain in the long run. There was discussion of installation costs for both options. President Dennis Daniel asked if Engineer Mark Kestner opposes the submersible pumps, and Engineer Mark Kestner replied that he strongly recommends the skid pumps. There was discussion on the operational knowledge of both pumps. Vice President Terri Purdy stated she has discomfort with these options but understands a decision must be made. Secretary Ron Meyer stated that he feels the submersible pumps are more complex than the skid pumps. President Dennis Daniel is not convinced that the operating complexity is harder for the submersible pumps in his mind. Vice President Terri Purdy advised that she needs to leave the meeting in about five minutes. Therefore, for sake of consideration, she is aligned with Secretary Ron Meyer to go with the skid pumps given the District's financial status and with the information that has been presented. Assistant Secretary Gary Grass likes the simple route, choosing the skid pumps option as well. After considerable discussion, President Dennis Daniel entertained a motion. **Motion was made by Vice President Terri Purdy and seconded by Secretary Ron Meyer to accept the engineer's recommendation for the skid mounted pump design option for the effluent irrigation and authorize the District Engineer to move forward with full design and solicit bids to bring back to the March board meeting. Engineer Mark Kestner asked if the Board would feel comfortable delegating the path to solicit proposals for the equipment to a committee to approve prior to the March board meeting. At this time, the motion was amended to include authorizing the Utility Operations committee to work with the District Engineer to review and authorize purchase of the skid pumps. President Dennis Daniel and Assistant Secretary John Genter opposed the motion. The motion carried.** Vice President Terri Purdy left the meeting. Attorney Bill Flickinger discussed the bidding procedures. The District must solicit three proposals on anything that is between \$25,000 and \$150,000. If the costs are over \$150,000 the District will need to go out for competitive bids. So, depending on the proposals, the District might have to go through the bidding process. President Dennis Daniel mentioned the install contract and see if that needs to be bid out as well. Engineer Mark Kestner will bring that information back to the March board meeting. President Dennis Daniel advised that the Board will take a quick break at this time.

Engineer Dennis Lozano with Malone/Wheeler discussed the Statement of Qualifications in connection with the HOA effluent irrigation improvements. Mr. Lozano was previously the District's engineer for 10 years and worked on the 210 irrigation and the effluent master plan. Engineer Dennis Lozano would like to see this project come to fruition. President Dennis Daniel asked if an irrigation subcontractor would be needed for this project and Engineer Dennis Lozano stated he did not believe so. There may need to be some consultation with an irrigation subcontractor, but no work from them will be needed under the scope of work that has been outlined. Engineer Dennis Lozano pulled together the irrigation schematic for the HOA. There was discussion of the piping and the current plan and if the current effluent main that supplies the effluent to the drip fields will be used. President Dennis Daniel believes that is the case. Engineer Mark Kestner is designing the effluent to be routed to a take-off point outside the fence and then

the Malone/Wheeler team will pick it up from there. President Dennis Daniel explained that at the take-off point, there will be valves and meters, etc. then the effluent will be piped into the irrigation system by the effluent main to bring it to the front of the District. President Dennis Daniel asked that the consultants work together to figure out the spray and drip functions. After discussion, President Dennis Daniel entertained a motion. Attorney Bill Flickinger discussed the procedures for selecting the engineer and approving the contract. **Motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to select Malone/Wheeler as the qualified engineer to work on the 210 Effluent Irrigation Improvements. The motion carried unanimously. Motion was then made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to negotiate with Malone/Wheeler on terms, conditions and contract amount and authorize the Utility Operations committee to finish those negotiations and enter into a contract with Malone/Wheeler on an hourly rate, not to exceed \$25,000. Engineer Dennis Lozano agreed with that amount. The motion carried unanimously.**

The Board discussed the changes to the District’s Rate Order and Rules and Regulations regarding installation of pools. President Dennis Daniel would like to include the words “or easements” with District property throughout the Rules and Regulations. Attorney Bill Flickinger discussed the changes and stated that the District’s fees are included in the Rate Order and the fines are only included in the Rules and Regulations. There were additional changes to the Rules and Regulations that included reference to Exhibit 6 and mention of inspections 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 amended Rate Order including the changes discussed today. The motion carried unanimously. Motion was then made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the amended Rules and Regulations including the changes discussed today. The motion carried unanimously.**

Attorney Bill Flickinger reported on the upcoming directors’ election. Four applications have been received and all four will be included on the ballot unless a candidate(s) withdraws their application to remove themselves from the ballot. If only two candidates remain, the District will not hold an election due to no contest. Secretary Ron Meyer asked if the Certificate of Withdrawal can be accepted by email, and it was stated that he could submit it by email.

There were no further committee reports this month.

8. 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

Engineer Mark Kestner reported that he took out the erroneous high flow information shown in his reports. President Dennis Daniel asked about the high flows noted in the chart again this period and Engineer Mark Kestner advised he will look into that matter with Inframark. President Dennis Daniel asked that he follow-up with the Board on the cause and resolution via email through Jeniffer Concienne.

9. 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. Stormwater conveyance and pond maintenance
- h. Customer matters, complaints, reports and updates
- i. Customer billing and delinquencies
- j. Authorizations for expenditures related to contracts, repairs, replacements, operations improvements and maintenance

Manager Dragan Sonnier discussed the summary of activities since the last board meeting. There were some damaged boards on the fence around the wastewater treatment plant that have been removed and new boards have been installed. There was a round of repairs made in the drip fields. Some bad solenoids and/or diaphragms were causing leaks in the system. President Dennis Daniel asked what could have caused those failures. Manager Dragan Sonnier also reported on the status of the generator repair at Lift Station 1, which is awaiting the contractor's timeline. Pump 2 at Lift Station 1 has recently tripped and is having issues running in auto or hand mode. Inframark is aware of the issues and is working on getting it fixed. There was discussion of the delinquent water bills and one disconnect. President Dennis Daniel noted that the Communications committee should have been consulted prior to the disconnection, so that they can address any questions.

As previously discussed above regarding fire ant application, Manager Dragan Sonnier advised that the Inframark Compliance Team is not aware of any restrictions but would like a bit more time to review it. Assistant Secretary Gary Grass asked to see if Zane Furr is licensed to apply it. **Motion was made by Secretary Ron Meyer and seconded by Assistant Secretary John Genter to authorize the Utility Operation's committee to authorize the application of fire ant control by Urban Dirt or another provider, pending Inframark's review and contacting Zane Furr**

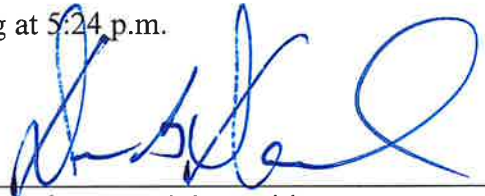
on the application. The motion carried unanimously. Assistant Secretary John Genter asked that Sandy Lake provide that information back to the HOA.

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

President Dennis Daniel acknowledged receipt of the Confidential Memorandum on the bar screen investigation from Willatt & Flickinger, PLLC and does not believe any action is necessary at this time. Attorney Bill Flickinger stated that the memo was based on what was done by the engineer that conducted the investigation. There was nothing new in the memo. No action is being recommended at this time. President Dennis Daniel asked the Board to review the memo in detail and come back with any follow-up actions for discussion at next month's board meeting.

11. ADJOURN

President Dennis Daniel adjourned the meeting at 5:24 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]