

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 2:00 p.m. on January 15, 2019 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:

Nathan Neese – President  
Vince Terracina – Vice President  
Thomas J. Rogers, Jr. – Secretary  
George “Bubba” Sykes – Assistant Secretary  
Dennis Daniel – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Jimmy Romell with Maxwell, Locke & Ritter, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis and Kristi Hester with InfraMark, LLC, Mike Moyer with Taylor Morrison and resident Gary Grass.

3. CITIZEN COMMENTS

Resident Gary Grass stated that a group of residents have begun work on a Firewise Project for the subdivision. A worksheet on Firewise Project Objectives was presented to the Board for their information. The project is co-sponsored by the USDA Forest Service, the U.S. Department of the Interior and the National Association of State Foresters. The goal is for the subdivision to be a certified Firewise community. Mr. Grass is working with the fire chief to locate the controllers for the sprinkler system in the subdivision, in the event of a fire. Engineer Dennis Lozano advised that they can team up together to obtain that information. Mr. Lozano does not believe that information exists on paper. Developer Mike Moyer advised that Scott Sellman with the HOA has the physical locations of those controllers and can provide that information.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval on the Minutes. Motion was made by Tom Rogers and seconded by Vince Terracina to approve the December 18, 2018 meeting Minutes as presented. The motion carried unanimously.

5. §49.063(C), TEXAS WATER CODE: ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger advised that the first agenda of each year must include the notice requirement for Districts that hold meetings outside of the District. The District does not have a suitable place to hold meetings inside its boundaries. The residents can petition to meet inside the District for the board meetings. If a petition is filed, the Board can address it at that time.

6. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCKE & RITTER

Jimmy Romell presented and discussed the District's annual audit and required communications with the Board. Mr. Romell reported that the District received a clean, unmodified opinion, which is the best given. There were no difficulties in preparing the audit and there were no misstatements from any of the parties. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve the annual audit as presented, authorize the execution of the Annual Filing Affidavit by the Board President and authorize its filing with the TCEQ and Texas Comptroller. The motion carried unanimously.

7. DEVELOPER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICE WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT, STATUS OF DEVELOPMENT LOANS AND ACTIONS OF THIRD PARTIES OPPOSING OR SUPPORTING DEVELOPMENT WITHIN THE DISTRICT

Mike Moyer discussed the homebuilding metrics within the District. The average appraised value within the District is \$509,000. Mr. Moyer reported that sales remain strong.

Plans for Phases 3-2 & 3-5 are accepted and complete. Mr. Moyer discussed close out on Phase 2-4.

8. APPROVAL OF CONSTRUCTION PLANS AND PAY ESTIMATES, CHANGE ORDERS AND ACCEPTANCES OF COMPLETION WITH RESPECT TO CONSTRUCTION CONTRACTS

This item was not discussed.

9. ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS

This item was not discussed.

10. ENGINEER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICES WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY; PROPOSALS FROM DISTRICT ENGINEER IN CONNECTION WITH USE OF EFFLUENT TO IRRIGATE RIGHTS-O-WAY AND TIMELINE FOR SAME

Engineer Dennis Lozano presented and discussed the engineer's report. A pre-construction meeting was held last week on Phase 3-3. Phases 2-4, 3-2 and 3-5 are nearing completion. However, there are a few lingering items.

Mr. Lozano discussed the status of the TLAP major amendment. He should be receiving the draft permit soon. The District still has two permits, and the hope is to wrap the permits into one. Right now, WWTP B is up for renewal, which Mr. Lozano recommends renewing. He will bring the renewal documentation to the February or March meeting. The permit expires in September and will need to be submitted to the TCEQ in March.

There was discussion on the irrigation conversion to effluent on the common areas. Mr. Lozano's plan is to proceed forward with developing preliminary information before all the costs associated with this task can be generated and a timeline firmed up. However, Mr. Lozano will provide a proposal on some of the bullet points. Mike Moyer asked if this conversion is something the District just wants to plan on or move forward with the actual conversion now. There was discussion of the timing of the conversion and the plant expansion. Director Dennis Daniel believes this project is a good use of District funds and understands that major items still need to be completed first.

Mr. Lozano discussed the next bond application. Garry Kimball is in the process of obtaining the HCAD valuation letter. As was seen in the last bond issue, the TCEQ gets behind the curve even on an expedited review basis. Once the sizing and surplus funds has been determined, Mr. Lozano hopes to be able to submit the application to the TCEQ in April.

In regard to the wastewater flows and projections, the spike due to the misting system has been ironed out. Director Dennis Daniel discussed the charts in detail.

Mr. Lozano also reported on the status of the GIS database development. The bulk of the work is complete and the map book maps have been printed. The remainder of the work will be easy to finish. Inframark will be able to use the system by the next board meeting. Mr. Lozano intended to bring the information to today's board meeting, but will bring it next time.

## 11. COMMITTEE REPORTS

- a. Trail/Map/Ownership committee
- b. PUA rate committee

Committee Member Dennis Daniel reported that he and President Nathan Neese discussed what all needs to be done in connection with the ownership matters within the District. Right now, Taylor Morrison owns all the land and the District has the appropriate easements in place. There needs to be further discussion of who should own what. The committee will continue to work on this matter and bring a recommendation back to the Board once it is figured out. The committee will also work with the developer and District's attorney on those project as needed. President Nathan Neese inquired about what all the District cannot own. There was discussion of License Agreements with Hays County and reimbursable matters. No action was required at this time.

## 12. TRAIL SYSTEM WITHIN THE DISTRICT; MAP OF THE DISTRICT/HOA PROPERTY

There was no further discussion other than what the committee reported on above.

## 13. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality

Manager Jesse Kennis presented an Executive Summary of District matters. Mr. Kennis is recommending maintenance of the EQ basin due to solid build up. This cleaning will restore the full capacity of the basin. This maintenance should be included in the District's budget every two years. The estimated cost for this project is \$15,000. After discussion, motion was made by Bubba Sykes and seconded by Dennis Daniel to approve the maintenance to the EQ basin, not to exceed \$15,000. The motion carried unanimously. There has been more pump and hauls due to the BOD loading.

An alarm at the collection system was activated due to a cross connection at a construction site which caused the wet well to fill at a high level.

Manager Kristi Hester discussed the upcoming AWBD Winter Conference in Austin if any of the Board is interested in attending. The District is not a member, however they are offering member prices for non-members. If interested, Inframark will be glad to register any directors.

There was further discussion of what is needed at the Katy Drive water quality pond, including an entire area fencing or fencing on a smaller scale and appropriate signage. There are also maintenance issues with erosion around the pond. Mr. Kennis will obtain estimates for fencing and maintenance due to the erosion. Attorney Bill Flickinger stated that the additional signage should be erected before the next board meeting. There was discussion of possibly three or four signs with the language "Danger – Fall Hazard." The signs should be sized approximately 4'x6'.

Mr. Kennis then discussed the manager's report. There is a total of 331 connections, 320 of which are residential. The delinquencies for December are as follows: seven letters were mailed out, five door tags were hung and there was one disconnect for non-payment.

The Water Quality Monitoring looks good.

The water accountability for December was over 100%. Inframark is checking the tracking meter and will update the Board at next month's board meeting.

The wastewater plant is operating at 62% capacity and is in full compliance.

Director Dennis Daniel reported that a lot of dirt is on the roadways within the subdivision and should be cleaned up. Developer Mike Moyer advised he would take care of it.

There was discussion between Director Dennis Daniel and Manager Kristi Hester on customer service options when reporting an alarm. Mr. Daniel had difficulty getting through to report an alarm. Mrs. Hester is working through this issue.

14. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 13 ABOVE

This item was not discussed.

15. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt discussed the financials with the Board. Today's consideration will include payment of vendor invoices, per diems and bond payments and authorization of two transfers. Mr. Douthitt reported that the District is ahead of plan to date in regard to the budget. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve payment of the vendor invoices, per diems and bond payments and authorize the fund transfers as presented. The motion carried unanimously.

16. ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES, CHARGES, TAP FEES AND SOLID WASTE DISPOSAL/RECYCLING FEES AND ADOPTING GENERAL POLICIES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS

Attorney Bill Flickinger discussed the red-lined version of the rate order. The revised rate order splits out the cost of water service for the HOA and residents. Mike Moyer discussed what this new cost will do to the HOA's annual budget. The HOA is only using water and wastewater at the amenity center. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Bubba Sykes to approve the rate order to be effective for the billing cycle after the February 15<sup>th</sup> meter read. The motion carried unanimously.

17. UTILITY CONVEYANCE AGREEMENT BETWEEN REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT AND TAYLOR MORRISON OF TEXAS, INC.

Attorney Matt McPhail discussed the Utility Conveyance Agreement for Phase 2 Sections 2 & 3 and the lift station. Those facilities were reimbursed in the latest bond issue. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Tom Rogers to approve the Utility Conveyance Agreement between the District and Taylor Morrison as presented. The motion carried unanimously.

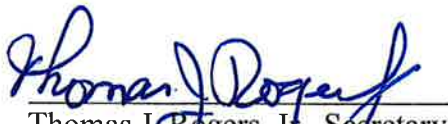
18. ADJOURN

President Nathan Neese adjourned the meeting.



Vince Terracina, Vice President  
Reunion Ranch WCID

ATTEST:



Thomas J. Rogers, Jr., Secretary  
Reunion Ranch WCID

[SEAL]

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