

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 on January 17, 2017 at 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
- Secretary David Bosco, Jr.
- George "Bubba" Sykes – Assistant Secretary

thus constituting a quorum. Vice President Vince Terracina and Assistant Secretary Mike Ehrhardt were absent.

Also present at the meeting were Bill Flickinger, Matt McPhail, Allison Nix and Jeniffer Concienne with Willatt & Flickinger, PLLC, Michael Slack with Taylor Morrison, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester with ST and Jimmy Romell with Maxwell Locke & Ritter.

3. CITIZEN COMMENTS

There were no citizen comments made at the meeting.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes were included in the agenda package for consideration. Motion was made by President Nathan Neese and seconded by George Sykes to approve the December 20, 2016 special meeting Minutes as presented. The motion carried unanimously.

5. ANNUAL AUDIT PREPARE BY MAXWELL LOCKE & RITTER

Auditor Jimmy Romell discussed the audit and required communications. The District received a clean unmodified opinion, which is the best given. There is strong property tax collection within the District. GASB 72 is new this year. It provides for additional disclosures in connection with investments. GASB 72 did not have a significant impact on the District's financial statements. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by George Sykes and seconded by David Bosco to approve the audit and authorize the execution of the Annual Filing Affidavit and filing with TCEQ and Comptroller. The motion carried unanimously.

6. 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

Developer Michael Slack reported on sales within the District. There have been 196 lots sold to date. The average sales price in the District is \$501,897. There have been 34 60' lots sold, 89 70' lots, 23 80' lots and 50 90' lots sold.

The contractor, Joe Bland is in the middle of utility construction on Phase 3, Section 1.

Phase 2, Section 5 will consist of 25 80' lots, which has been awarded to Cornerstone.

Phase 3, Section 1 is further along. This section will consist of 37 80' lots.

7. 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

Engineer Dennis Lozano discussed his report as included in the agenda package. Construction is underway on Phase 2, Section 5 and Phase 3, Section 1. His office is inspecting those projects for water, wastewater and drainage facilities. The chart for wastewater flow projections was included in his report and look good.

8. RULEMAKING PROCEEDING AT TCEQ REQUESTED BY CITY OF AUSTIN TO AMEND TCEQ RULES IN 30 TAC CHAPTERS 222 AND 309- REUSE OF TREATED WATER

Engineer Dennis Lozano had nothing to report.

9. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution and Collection System
- F. Billing Adjustments

Manager Kristi Hester discussed her report as included in the agenda package. Mrs. Hester discussed the billing summary with the Board. There were 210 accounts billed, 2,809,000 gallons of water consumed and the monthly average water use for residential was 11,050 gallons. The District gained 71 connections in 2016.

Mrs. Hester discussed a couple of accounts scheduled for disconnection and the policy for disconnection. Mrs. Hester informed the Board of all the actions prior to actual disconnection. After discussion, the Board agreed to hold off on both accounts and so that one of the owners can be contacted in person to discuss the situation. If in fact a leak has occurred and can be determined, ST can adjust the winter average for her.

The water quality monitoring looks good at 1.32. The state requirement must be above .50. The District has 92.5% water accountability in December. Mrs. Hester noted that the wastewater flow chart for December was incorrect as the flow meter had an issue. The wastewater plant is operating at 34% capacity.

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

Bookkeeper Allen Douthitt presented and discussed the financials with the Board. Mr. Douthitt will void Mike Ehrhardt's and Vince Terracina's per diems due to their absence. The budget is tracking well at this time. There are two transfers to consider from TexPool to the operating account and debt service account. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by David Bosco and seconded by President Nathan Neese to approve the payment of the invoices, per diems and fund transfers as presented. The motion carried unanimously.

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

Developer Michael Slack discussed and recommended the following pay estimates:

Pay Estimate No. 2 in the amount of \$75,361.50 in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP; and

Pay Estimate No. 1 in the amount of \$19,053.68 in connection with Reunion Ranch Phase 2, Section 5 submitted by Cornerstone Site Services.


After discussion, President Nathan Neese entertained a motion for approval. Motion was made by George Sykes and seconded by David Bosco to approve payment of the foregoing pay estimates as presented. The motion carried unanimously.

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

This item is a standing item and was not discussed.

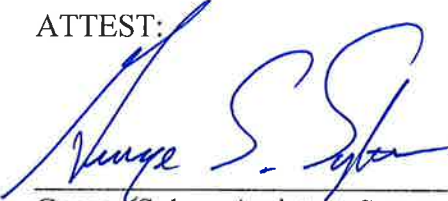
13. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



George Sykes, Assistant Secretary
Reunion Ranch WCID

[SEAL]

