

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A special 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 25, 2018 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
Tom Rogers - Secretary
George "Bubba" Sykes – Assistant Secretary
Dan Pawlik – Assistant Secretary

thus, constituting a quorum. Vice President Vince Terracina was absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jason Tyler with INFRAMARK, LLC, Mike Moyer and Michael Slack with Taylor Morrison and Jimmy Romell with Maxwell Locke & Ritter.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes were included in the agenda package for consideration. President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Dan Pawlik to approve the December 19, 2017 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 discussed the new annual requirement for Districts that do not have a meeting place within the District boundaries pursuant to Chapter 49.063(c) of the Texas Water Code. The first agenda in each calendar year must include the notice requirement. The agenda for today's meeting included the notice requirement and a description of the petition process. No action is needed.

6. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCKE & RITTER

Jimmy Romell discussed the audit in detail and the required communication with the Board. The District received an unmodified clean opinion which is the best given. Mr. Romell discussed a new procedure being GASB 87 pertaining to leases. It changes the accounting for leases. Now, all leases will show on the balance sheet. This new requirement will be effective fiscal year 2021. Mr. Romell reported that no difficulties were had in preparing the audit. He thanked Bott & Douthitt for providing all the necessary paperwork. After discussion, motion was made by Tom Rogers and seconded by President Nathan Neese to approve the audit as presented and authorize the execution and filing of the Annual Filing Affidavit. 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 filled in for Michael Slack. Mr. Moyer reported that 257 homes have been sold to date. The average appraised value within the District is \$503,670. The breakdown of sales are as follows: 58 60' lots, 107 70' lots, 40 80' lots and 52 90' lots. Home values are holding steady.

Mr. Moyer reported that Phases 2-4, 3-2 and 3-5 are under construction. Those phases include 60', 70' and 80' lots. The contractor is 30% done with the water, wastewater and drainage. The street paving should occur in March/April. Design on Phases 3-3 and 3-4 has commenced and construction should begin in the fall.

Michael Slack advised that Mike Moyer will be attending the meetings on a more regular basis. Bubba Sykes asked for an updated subdivision map.

8. 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. Mr. Lozano stated as did Mike Moyer that construction is underway in Phases 2-4, 3-2 and 3-5.

Mr. Lozano discussed the TLAP major amendment. It is now in the first notice period. He will send the notice of publication to the District's attorney for review.

The wastewater flows are still trending as expected.

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
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints

Jason Tyler discussed the manager's report as included in the agenda package. There is a total of 274 connections, 265 of which are residential. The average residential monthly water consumption is 9,872 gallons. It appears that the residents are conserving more water this year than last. The delinquencies for December are as follows: seven letters were mailed out and six door tags were hung. However, there were no disconnects.

The water quality monitoring looks good. The water accountability is at 94%, which is excellent. The wastewater plant is fully compliant and operating at 48% capacity.

10. RATE ORDER; CUSTOMER DEPOSITS

Attorney Bill Flickinger reported that INFRAMARK noticed that the District's rate order does not provide for a cap on deposits collected from customers that have been disconnected. INFRAMARK provided a list of deposit amounts on file. After discussion, the Board agreed to leave the rate order as is and not provide a cap on the deposit amounts. No action was needed.

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

Bookkeeper Allen Douthitt presented and discussed the updated cash activity report with the Board. Today's consideration will include vendor payments, per diems, two fund transfers and two bond payments for Series 2015 & 2016. After discussion, motion was made by Tom Rogers and seconded by President Nathan Neese to approve payment of the vendor invoices, per diems and bond payments and to authorize the fund transfers as discussed. The motion carried unanimously.

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

Developer Michael Slack presented and recommended approval of the following pay estimates:

Pay Estimate No. 2 in the amount of \$63,191.34 in connection with Reunion Ranch Phase 2, Section 4 submitted by Central Road and Utility, Ltd.; and

Pay Estimate No. 2 in the amount of \$77,981.93 in connection with Reunion Ranch Phase 3, Sections 2 & 5 submitted by JKB Construction Company, LLC.

After discussion, President Nathan Neese made a motion to approve payment of the foregoing pay estimates. Tom Rogers seconded the motion. The motion carried unanimously.

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

This item is a standing item and no discussion was had.

AGENDA ITEMS RELATED TO ELECTIONS

14. Directors Election
 - a. Resolution Authorizing Secretary's Appointment of Agent to Perform Duties During Election Period
 - b. Notice of Deadline to File Application for Place on Ballot
 - c. Order Calling Directors Election
 - d. Contract for Election Services with Hays County
 - e. Joint Election Agreement

PUNTOS DEL ORDEN DEL DÍA RELATIVOS A ELECCIONES

14. Elección de Directores

- a. Resolución para autorizar al secretario para designar a un agente para desempeñar funciones durante el período electoral
- b. Aviso de fecha límite para presentar solicitudes de un lugar en la boleta de votación
- c. Orden para convocar una Elección de Directores
- d. Contrato de servicios electorales con el Condado de Hays
- e. Convenio de elecciones conjuntas

Attorney Bill Flickinger discussed the election process. Mr. Flickinger indicated that all the election material is required to be in English and Spanish. The directors election is held on even years. This cycle there are three directors up for election. The filing deadline for the Application for Place on Ballot is February 16th. Mr. Flickinger discussed the election documents included in the agenda package. If the election is contested, Hays County will hold the election for the District. The county has all the required election equipment. There has been resident interest for running for the Board. Resident Dennis Daniel advised that he will be running for the Board and resident Robert Fedor also obtained election information on behalf of the residents. Anyone who applies for the Board can withdraw their application by February 23rd if they change their mind on running for the Board. The District will also need to enter into a Joint Election Agreement and Contract for Election Services with the County.

After discussion of the election process, President Nathan Neese entertained approval for the following motions:

Motion was made by Tom Rogers and seconded by Bubba Sykes to adopt the Order Calling Directors Election as presented. The motion carried unanimously.

Next, motion was made by Bubba Sykes and seconded by Tom Rogers to adopt the Resolution Authorizing Secretary's Appointment of Agent to Perform Duties During Election Period as presented. The motion carried unanimously.

Lastly, motion was made by Tom Rogers and seconded by Dan Pawlik to approve the Contract for Election Services between Hays County and the District and authorize entering into a Joint Election Services Agreement with Participating Entities subject to any revisions agreed to by the District's attorney, the Hays County Election Administrator and the Board President. The motion carried unanimously.

15. ADJOURN

President Nathan Neese adjourned the meeting.

Nathan Neese

Nathan Neese, President
Reunion Ranch WCID

ATTEST:

Thomas J. Rogers, Jr.

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

