

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on February 8, 2009, at the offices of Willatt & Flickinger, 2001 North Lamar, Austin, Texas 78705, 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 Vince Terracina, Bubba Sykes and Michael Lindley, thus constituting a quorum. Directors Carl Williams and Pat Herron were absent.

Also present at the meeting were Bill Flickinger, Jeniffer Concienne, Joseph Kozusko, Will Shepard and Frank Krasovec.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF JUNE 13, 2008 MEETING

Jeniffer Concienne presented the Minutes to the Board as included in the agenda package. Motion was made by Bubba Sykes and seconded by Michael Lindley to approve the Minutes of the June 13, 2008 meeting as presented. The motion carried unanimously.

5. RESIGNATION OF PAT HERRON

Attorney Bill Flickinger reported that Pat Herron submitted a letter of resignation, as included in the agenda package. Motion was made by President Vince Terracina and seconded by Michael Lindley accept Pat Herron's resignation. The motion carried unanimously.

6. APPOINTMENT OF JOSEPH KOZUSKO TO REPLACE PAT HERRON

Joseph Kozusko introduced himself to the Board. Motion was made by Bubba Sykes and seconded by Michael Lindley to appoint Joseph Kozusko to fill Pat Herron's unexpired term. The motion carried unanimously.

7. DEVELOPER'S REPORT

Frank Krasovec reported that the District has been inactive for the last two years. In the last 60-days, there has been a lot of activity. Currently, there are five or six builders that are interested in building in the District. Mr. Krasovec stated that he would like the homes to resemble the ones in Falcon Head West. There are approximately 500 lots in the District. Mr. Krasovec stated that within the next 60-days, he should know if he is going to develop the District or sell. There was discussion regarding the Avana subdivision. Will Shepard inquired about what powers the District has. Attorney Bill Flickinger explained those powers. Mr. Shepard also inquired about a homeowners association.

8. INSURANCE RENEWALS SUBMITTED BY AQUASURANCE, L.L.C. FOR 2009 AND 2010

Jeniffer Concienne presented the insurance renewal documentation for years 2009 and 2010 for ratification by the Board. President Vince Terracina executed these documents at the time they were due. Michael Lindley inquired if competitive bids were received. Ms. Concienne stated that they were not. Bubba Sykes indicated that the premiums look good. Mr. Sykes asked if Ms. Concienne had the insurance policies that he could review. Ms. Concienne retrieved those for him to review. Motion was made by Bubba Sykes and seconded by Michael Lindley to ratify the approval and the execution of the insurance renewal documentation by President Vince Terracina. The motion carried unanimously.

9. CODE OF ETHICS AND FINANCIAL INVESTMENT, TRAVEL AND PROFESSIONAL SERVICES POLICY

Attorney Bill Flickinger explained that it was a statutory requirement to review the District's investment policy on an annual basis. Secretary Bubba Sykes asked who was responsible for the bookkeeping. Mr. Flickinger informed him that Frank Krasovec is doing the bookkeeping in house. Motion was made by President Vince Terracina and seconded by Bubba Sykes to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies for fiscal years ending September 30, 2008 and 2009. The motion carried unanimously.

10. AMENDED INFORMATION FORM

There was no need for discussion on this topic.

11. RESOLUTION ESTABLISHING OFFICES AND MEETING PLACES

Jeniffer Concienne discussed the resolution as included in the agenda package. Ms. Concienne reported that the office of Norwood Investments, Frank Krasovec's office, has been designated as a place for conducting the meetings of the Board of Directors. This resolution will be filed with the TCEQ and published in the *San Marcos Daily Record*. Vice President Michael Lindley asked why a form was needed to meet at Mr. Krasovec's office. Attorney Bill Flickinger informed him that the resolution is required by the Water Code. Motion was made by Michael Lindley and seconded by Bubba Sykes to adopt the Resolution Establishing Offices and Meeting Places as presented. The motion carried unanimously.

12. ORDER CALLING DIRECTOR'S ELECTION

Attorney Bill Flickinger discussed the upcoming director's election. A director's election is held every two years, on even numbered years. Three director's positions are up, which are Michael Lindley, Carl Williams and Joseph Kozusko. It is anticipated that the election will be cancelled due to no contest. Motion was made by President Vince Terracina and seconded by Michael Lindley to adopt the Order Calling Director's Election as presented. The motion carried unanimously.

13. JOINT ELECTION AGREEMENT

Attorney Bill Flickinger discussed holding a joint election with the City of Dripping Springs if necessary. This agreement provides sharing of the voting places and equipment, which is very costly if the District does it by itself. Motion was made by Bubba Sykes and seconded by President Vince Terracina to enter into a Joint Election Agreement with the City of Dripping Springs, Texas if needed. The motion carried unanimously.

14. CONTRACT FOR ELECTION SERVICES

Attorney Bill Flickinger discussed the Contract for Election Services by and between the District and Hays County, Texas with the Board as included in the agenda package. As stated above, it is anticipated that the election will be cancelled due to no contest. Motion was made by Bubba Sykes and seconded by Michael Lindley to approve the Contract for Election Services between the District and Hays County, Texas as presented. The motion carried unanimously.

15. ADJOURN

President Vince Terracina adjourned the meeting.

Mail 7-7

~~Vince Terracina, President
Reunion Ranch WCID~~

Michael J. Linsley, Vice President

ATTEST:


George Sykes, Secretary
Reunion Ranch WCID

