

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The regular meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on February 17, 2015, at 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, David Bosco, Bubba Sykes and Joel DeSpain, thus constituting a quorum. President Nathan Neese was absent.

Also present at the meeting were Dennis Lozano, Mike Willatt, Bill Flickinger, Mary Bott, Scott Manuel, Jeniffer Concienne, Michael Slack, Frank Krasovec and Kristi Hester.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by George Sykes and seconded by David Bosco to approve the minutes of the January 20, 2015 meeting as presented. The motion carried unanimously.

5. WAIVER OF SPECIAL APPRAISAL

Attorney Mike Willatt informed the Board that the TCEQ requires developers getting bond reimbursement to waive exemptions. The exemption only applies to open land and not platted land. This waiver is needed in connection with the District's first bond issue. After discussion, motion was made by George Sykes and seconded by Vice President Vince Terracina to approve the Waiver of Special Appraisal as presented and authorize the execution by the Vice President and Secretary. The motion carried unanimously.

6. DEVELOPER'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, STATUS OF DEVELOPMENT LOANS AND ACTIONS OF THIRD PARTIES OPPOSING OR SUPPORTING DEVELOPMENT WITHIN THE DISTRICT

Michael Slack reported on the sales within the District. To date there have been 88 homes sold. 52 of those homes were on 70' lots and the other 36 were on 90' lots. The average sales price of homes within the District is \$491,505. The bridge project is two months away from completion. Mr. Slack reported on the progress of Phase 2, Sections 1 and 2. Section 2 will consist of the 60', 70' and 80' lots. These sections should be paved in early May. Mr. Slack also stated that the lift station is getting underway. All the projects are going on at the same time. In April, the presales on the 60' lots will begin. Frank Krasovec commented on how amazing the quarry retaining wall looks by the bridge.

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 reported that all the inspections on the utilities look good. The lift station work is on schedule and looks good too.

8. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 1ST BOND ISSUE

Engineer Dennis Lozano reported that the bond application was submitted to the TCEQ on January 30th. No comment have been received. The bond reviewer forwarded some outstanding fees for the District. The prior invoice was mailed to an old address. Those fees need to be paid as soon as possible to go forward with the bond application. Mary Bott said that invoice is included in the bills to be paid.

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

Scott Manuel discussed the resident complaints related to the burnout. The complaints were due to odor and taste, all of which occurred on Super Bowl Sunday. The chlorine odor was very

strong. The lines were flushed and the problems have been worked out. The PUA has indicated that it will be changing back to chloramine on February 23rd instead of March 3rd as original planned. There was discussion of hanging door tags again when the switch over is going to take place. Bubba Sykes stated that he would like to see that be done and feels that an abundance of information is best.

Mr. Manuel then reported on the water loss. The loss was due to a leak on the irrigation system that was not fully registering on the irrigation meter. CleanScapes, the landscaping company has repaired the leak and the meter was replaced. Michael Slack found another irrigation meter leak at Reunion Boulevard and Emma Loop. It is difficult for the leak detection company to find leaks on plastic pipes. ST will look for damp spots, but that is difficult as well with the rain we have had.

The wastewater treatment plant is in compliance. There was another alarm system failure which was found and repaired. This failure was due to a problem with the AT&T phone line. Michael Slack said that in the reports, the plant capacity was at 36%. He asked Mr. Manuel if this could be another error in the reporting. Last month the report said 18%. Mr. Manuel stated that it could have been caused by a doubled irrigation read. He will look into it and get back with the Board on the correct capacity.

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

Mary Bott discussed the financials with the Board. She will void the per diem check for President Nathan Neese due to his absence. As of January 31st, there was \$11,000 delinquent in connection with the District's tax collection. Mrs. Bott will pull the delinquency list for next month's meeting. There is probably 2 to 3 residents that have not paid, or it could be a lender error or over 65 deferral. The District's budget is running at a \$78,000 positive variance. Mrs. Bott also included the lot schedule and income statement year to year comparison in the package. Joel DeSpain inquired about the engineering fees on the budget and asked if those were actually budgeted for. Mrs. Bott explained that some of those fees are bond related, which were not budgeted for and the other portion of those fees were budgeted for. After discussion, motion was made by Joel DeSpain and seconded by David Bosco to approve payment of the per diems, invoices and authorization of the fund transfer to the bookkeeper's account. The motion carried unanimously.

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

Michael Slack discussed and recommended approval of the following pay estimates:

Pay Estimate No. 4 in the amount of \$324,996.30 in connection with the Reunion Ranch Phase Two, Section One, Street Excavation, Water, Wastewater, Drainage and Erosion Control submitted by Central Road and Utility, Ltd.; and

Pay Estimate No. 1 in the amount of \$403,513.65 in connection with Reunion Ranch 2-2A Utilities submitted by DeNucci Constructors, LLC; and

Pay Estimate No. 2 in the amount of \$67,431.60 in connection with Reunion Ranch 2-2A Utilities submitted by DeNucci Constructors, LLC.


Mr. Slack reported that the Reunion Ranch 2-2A project is about 19% complete. Joel DeSpain asked if he was pleased with the work done by DeNucci and Mr. Slack responded by saying yes and they are great to work with. After discussion, motion was made by Vice President Vince Terracina and seconded by Joel DeSpain to approve the foregoing pay estimates as presented. The motion carried unanimously.

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

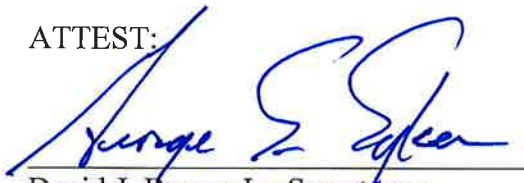
This is a standing item and there was no discussion.

13. ADJOURN

President Nathan Neese adjourned the meeting.


Nathan Neese, President
Reunion Ranch WCID

ATTEST:


David J. Bosco, Jr., Secretary
Reunion Ranch WCID

