

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 February 18, 2020 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, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis with Inframark, LLC and Mike Moyer with Taylor Morrison.

3. PUBLIC COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval of the Minutes. Motion was made by Bubba Sykes and seconded by Tom Rogers to approve the January 21, 2020 meeting Minutes as presented. The motion carried unanimously.

5. 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 reported on the homebuilding metrics. A total of 432 homes have been sold to date with a total of 370 closed. This represents 82% of the homes sold within the District. The average sales price in the District is \$520,905. Dripping Springs City Council approved the last phase and now it will go to the Commissioners County for final acceptance. Mr. Moyer reported that sales remain strong within the District.

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

Mike Moyer discussed and recommended approval of the following pay application:

Pay Estimate No. 9 submitted by JL Gray Construction, Inc. in the amount of \$6,228.90 for Phase 3 Section 3 Utilities. Mr. Moyer advised retainage is still being held.

After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve payment of the foregoing pay estimate as presented. The motion carried unanimously.

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

This item was not discussed.

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
A. PROPOSAL FOR WASTEWATER LINE INSPECTIONS

Engineer Dennis Lozano discussed his engineer's report. In regard to the District facilities, pond vegetation is in process. The plant installation started last week. The last phase is going to be considered at the Commissioners Court next meeting.

TCEQ submitted a letter on January 16, 2020 advising that the documentation received by the District on the alleged violations is acceptable and that the extension was granted for certain items until the wastewater plant expansion has been completed.

The wastewater flows and projections showed an uptick due to the mister at the wastewater plant.

In regard to the wastewater plant expansion, Murfee is waiting on information that was requested on the sizing of the irrigation pump skid and the electrical engineer is working on an appropriate sized transformer. Mr. Lozano is still in the process of obtaining the site permit. There was discussion of the flood plain issue. President Nathan Neese asked if FEMA had provided an updated map of the flood plains. Mr. Lozano indicated that they have not. There is no prohibition to building the plant in the flood plain. The structure will be built up out of the flood plain. No flow will be impeded by this construction. When the plat was originally done, it was 100 feet away from the flood plain, now it is much closer. Mr. Lozano is working with the City of Dripping Springs and is confident the issue will get resolved. This process should take about 60-days. Mr. Lozano is hopeful to bid the project by the next board meeting.

Mr. Lozano reported that the District's MAQ may need to be increased again. As the Board is aware, it was just increased from 350. Mr. Lozano will work with Allen Douthitt on this matter.

Mr. Lozano is not yet ready to submit a proposal on the wastewater line inspections.

9. AGREEMENT FOR PROFESSIONAL SERVICE SUBMITTED BY MURFEE ENGINEERING FOR THE DISTRICT'S 6TH BOND ISSUE; BEGIN PREPARATION OF AN APPLICATION FOR BOND APPROVAL TO THE TCEQ IN AN AMOUNT NOT TO EXCEED \$7,050,000

Engineer Dennis Lozano discussed his proposal for preparation of the District's next bond application. The proposal follows the prior agreement, with the exception of the cost being increased. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve the Professional Services Agreement submitted in connection with the District's 6th bond application. The motion carried unanimously.

10. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 6TH BOND ISSUE

Engineer Dennis Lozano reported that he is working on the District's 6th bond application with the District's financial advisor. Additional documentation was requested from Taylor Morrison on pay applications.

11. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

Michael Moyer reiterated that he would like to come to a determination on the effluent charge to the HOA for budgeting purposes. Director Dennis Daniel said that he is still leaning towards not charging the HOA for use of effluent due to the irrigation of the rights-of-way.

12. COMMITTEE REPORTS.

- a. Trail/Map/Ownership committee (Trail system within the District; Map of the District/HOA property; conveyances, easements and/or license agreements to the District or HOA from developer)
- b. PUA Rate committee

This item was not discussed.

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
- M. Notice of Violations Issued by TCEQ dated August 5, 2019
- N. Maintenance Items in connection with Pre-Purchase Inspection Letter submitted by TCEQ

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

In regard to the District's water system, there are a total of 426 active connections. The average monthly water consumption was 3.7 million gallons. Water loss was measured at 2.77%.

Eleven delinquent letters were mailed out, five door tags were hung. However, there were no disconnections of service. Director Dennis Daniel asked if there were door tags hung for testing of the lines as well. Mr. Kennis advised that Inframark did not hang those tags. He will look to see if it was the PUA.

Mr. Kennis discussed the status of the District's wastewater system. The wastewater plant is operating at 72% capacity. As discussed at last month's meeting, Mr. Kennis discussed the upset at the wastewater treatment plant. The levels of BOD and TSS exceeded the permit this reporting period. The ground storage tank is currently off-line and being cleaned out. Mr. Kennis reported that the sludge box has been received. However, they are working on site prep, polymer feed pump procurement and electrical work. Mr. Kennis will bring a proposal of this additional work to the next board meeting. There was discussion of the location for the sludge box and what it will take to install it. Mr. Kennis estimates the proposal to be \$15,000 to \$20,000. Mr. Kennis will work with Engineer Dennis Lozano on the logistics.

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

This item was not discussed.

15. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

16. 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 payment of vendor invoices, per diems and fund transfers. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Tom Rogers to approve payment of the vendor invoices, per diems and authorization of the fund transfers as presented. The motion carried unanimously.

17. AMENDED BUDGET

This item was not discussed.

18. WEST TRAVIS COUNTY PUA MATTERS

This item was not discussed.

19. DISTRICT WEBSITE

This item can be removed from the agenda.

20. DIRECTORS ELECTION

Attorney Bill Flickinger discussed the directors election process. Currently, the two incumbents filed Applications for Place on Ballot as well as two residents. Directors Bubba Sykes and Vince Terracina advised that they will withdraw their Applications for Place on Ballot. They both feel that since the residents are interested in serving on the Board, that is the right thing to do. Mr. Flickinger advised that if the no other Applications are received as a "write-in" by this afternoon, the directors election can be cancelled due to no contest.

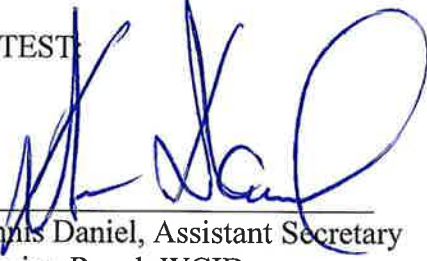
21. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



Dennis Daniel, Assistant Secretary
Reunion Ranch WCID

[SEAL]