

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 19, 2013, 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 Todd Janssen, David Bosco and Bubba Sykes, thus constituting a quorum. Vice President Vince Terracina and Nathan Neese were absent.

Also present at the meeting were Adib Khoury, Mike Willatt, Jeniffer Concienne, George Murfee, Mary Bott and Scott Manuel.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by President Todd Janssen and seconded by Bubba Sykes to approve the minutes of the January 15, 2013 meeting 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 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

Adib Khoury reported that the project is going great. The contractor is 95% done on the landscaping and it looks very good. The model homes are almost complete and should be open by the end of the month or the first of March. Five homes have already been sold. There was

discussion of the recent newspaper articles on the project and how it is perfect timing. Bubba Sykes inquired about when the future phases will begin. Mr. Khoury advised that they will monitor the situation as to when to start the second phase of development. The second phase will include 70' and 90' lots. Mr. Khoury discussed that they are shielding the wastewater treatment plant with a retaining wall, cedar fencing and extensive landscaping. All of that has been started so that when it comes time to construct the amenity center in that vicinity, the landscaping will be mature. Mr. Khoury also talked about the creek improvements including a bridge. Engineer George Murfee presented pictures of the District.

6. 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 George Murfee reported on a minor flare up with Hays County in connection with the off-site water line. The contractor left a mess of drilling mud in the creek. They are working on getting it resolved. Mr. Murfee discussed the letter that was sent to the PUA on extension of the connection fees. That might need to be modified to request an additional 60 to 65 LUEs. Attorney Mike Willatt reported that the PUA has a board meeting coming up on the 21st wherein the staff will seek direction from the Board on how to deal with these requests for extensions. Mr. Murfee recommends that the request for additional LUEs be headed by Attorney Mike Willatt. Adib Khoury advised Mr. Willatt that he would send him the letter that he sent regarding the additional request for LUEs. It is also a possibility that the additional request might trigger an amendment to the LCRA raw water contract. There was also discussion on reimbursement. Mr. Willatt will look into this matter.

7. DISTRICT'S RULES

Attorney Mike Willatt stated that at the last meeting, the District rate order was approved. At that time, the rules still needed some work. The rules were included in this agenda package for consideration. Belterra's rules were used as a model. These rules may need to be amended from time to time as the project progresses. After discussion, motion was made by Bubba Sykes and seconded by David Bosco to adopt the rules as presented. The motion carried unanimously.

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

Mary Bott discussed the financials and the updated cash activity report. After discussion, motion was made by David Bosco and seconded by President Todd Janssen to approve payment of invoices, per diems and fund transfer as presented. The motion carried unanimously.

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

Adib Khoury recommended approval of the pay estimate as included in the agenda package. After discussion, motion was made by David Bosco and seconded by Bubba Sykes to approve the following pay estimate as presented:

- Pay Estimate No. 8 in the amount of \$42,210.00 in connection with the RR Phase 1A Water, Wastewater and Drainage Improvements submitted by Nelson Lewis, Inc.

The motion carried unanimously.

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

This item was not discussed.

11. PUBLIC HEARING ON WATER CONSERVATION PLAN AND DROUGHT CONTINGENCY PLAN

Attorney Mike Willatt stated that the District is required by law and the LCRA to have a water conservation plan and a drought contingency plan.

President Todd Janssen opened the public hearing on this matter. Hearing no comments, the public hearing was closed.

12. WATER CONSERVATION PLAN


The Water Conservation Plan was included in the agenda package for consideration. Motion was made by Bubba Sykes and seconded by President Todd Janssen to approve and adopt the Water Conservation Plan as presented. The motion carried unanimously.

13. DROUGHT CONTINGENCY PLAN

The Drought Contingency Plan was included in the agenda package for consideration. Motion was made by Bubba Sykes and seconded by David Bosco to approve and adopt the Drought Contingency Plan as presented. The motion carried unanimously.

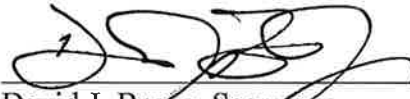
14. ADJOURN

President Todd Janssen adjourned the meeting.



Todd Janssen, President
Reunion Ranch WCID

ATTEST:



David J. Bosco, Secretary
Reunion Ranch WCID

[SEAL]