

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 February 20, 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
Vince Terracina – Vice President
Tom Rogers - Secretary
George “Bubba” Sykes – Assistant Secretary
Dan Pawlik – 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, Kristi Hester with INFRAMARK, LLC, Mike Moyer with Taylor Morrison, Garry Kimball with Specialized Public Finance Inc. and resident Dennis Daniel.

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 Vince Terracina and seconded by Tom Rogers to approve the January 25, 2018 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 discussed the homebuilding metrics. 260 homes have been sold to date. The average appraised value within the District has increased to \$504,423.

Mr. Moyer presented a map on construction within the District.

Mr. Moyer reported that Phases 2-4, 3-2 and 3-5 are all under construction. Those phases include 60', 70' and 80' lots. Paving should commence in May.

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

Mike Moyer presented and recommended approval of the following pay estimate:

Pay Estimate No. 3 in the amount of \$318,919.50 in connection with Reunion Ranch Phase 3, Sections 2 & 5 submitted by JKB Construction Company, LLC.

After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Tom Rogers 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 is a standing item and no discussion was had.

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 reiterated that Phases 2-4, 3-2 and 3-5 are under construction.

Mr. Lozano reported that the TLAP major amendment has been declared administratively complete. The required notice was published in the San Marcos Daily Record. Mr. Lozano stated that he spoke with several residents regarding their concerns with the view of the plant. He

believes after speaking with them, they are comfortable with the plant. Once the TCEQ issues its comments, Murfee will address them accordingly. Within 60-90 days, the draft permit will be issued and will enter the 2nd notice period.

The wastewater flows are tracking at the same growth rate as has been discussed.

9. AUTHORIZE THE DISTRICT'S ENGINEER TO BEGIN PREPARATION OF AN APPLICATION FOR BOND APPROVAL TO THE TCEQ IN AN AMOUNT NOT TO EXCEED \$5,000,000

Financial Advisor Garry Kimball reached out to Hays Central Appraisal District in January on the District's tax base. At that time, the market value for the District was \$126,590,000. Since that time, \$30,000,000 will be added. Mr. Kimball advised that the District can keep the overall tax rate the same. The District will be able to sell the bonds in the fall and close by the end of the year. This will be the District's 4th bond issue.

10. AGREEMENT FOR PROFESSIONAL SERVICES SUBMITTED BY MURFEE ENGINEERING FOR THE DISTRICT'S 4TH BOND ISSUE

Engineer Dennis Lozano discussed his Agreement for the Provision of Limited Professional Services in connection with the District's 4th bond application. After discussion, motion was made by Bubba Sykes and seconded by Tom Rogers to approve the Agreement as submitted. The motion carried unanimously.

11. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

President Nathan Neese open the public hearing on the Drought Contingency Plan. Hearing no comments, President Neese closed the public hearing.

12. RESOLUTION ADOPTING DROUGHT CONTINGENCY PLAN

Engineer Dennis Lozano reported that no drought restrictions are in place at this time. The only change to the Drought Contingency Plan is the updated address for the District. The Drought Contingency Plan will be sent to the LCRA, TCEQ and PUA. After discussion, motion was made by Tom Rogers and seconded by Bubba Sykes to approve the Resolution Adopting Drought Contingency Plan as submitted. The motion carried unanimously.

13. PUBLIC HEARING ON WATER CONSERVATION PLAN

President Nathan Neese open the public hearing on the Water Conservation Plan. Hearing no comments, President Neese closed the public hearing.

14. RESOLUTION ADOPTING WATER CONSERVATION PLAN

Engineer Dennis Lozano reported on the changes to the Water Conservation Plan. The utility profile has been updated with the current connection count and estimated population as of

2018 as well as the estimated connection count and population in 2020. The per-connection and per capita daily water use has also been added. Mr. Lozano added reference that meters are calibrated to within 5% accuracy and the rate structure was updated. The last change indicated that the billing system has the ability to separate water-use per customer type into the categories of residential, commercial, hydrant, tracking and reclaimed. This plan will be sent to the LCRA, PUA and TCEQ. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Tom Rogers and seconded by Dan Pawlik to approve the Resolution Adopting Water Conservation Plan as submitted. The motion carried unanimously.

15. 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

Kristi Hester discussed the manager's report as included in the agenda package. There is a total of 275 connections, 266 of which are residential. The average monthly water consumption for residential use is 5,357 gallons. Total water receivables for the month of January was \$33,858. The delinquencies for January are as follows: seven letters were mailed out, three door tags were hung and there were no disconnects.

Mrs. Hester reported that in regard to the water quality monitoring, the CL2 average was a little lower than normal. There was discussion of the nitrogen level being high. It appears that a burnout might be needed. Engineer Dennis Lozano will monitor this situation. The water accountability report looks good. Mrs. Hester reported that there was an error in the timing of a waste haul in the District. That error caused the plant to not be in full compliance. This is the first time that has happened in the District. The wastewater plant is operating at 52% capacity.

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 vendor payments, per diems and four fund transfers. The District is 89% collected on its taxes through January. In regard to the budget, the District is ahead of plan. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve payment of the vendor invoices and per diems and to authorize the fund transfers as discussed. The motion carried unanimously.


AGENDA ITEMS RELATED TO ELECTIONS

17. DIRECTORS ELECTION

Attorney Bill Flickinger reported that three positions are up for election. Last Friday, February 16th was the deadline to submit an Application for Place on the Ballot. Four applications were received, which are from the incumbents and one resident. Mr. Flickinger discussed the withdrawal process if someone wishes to withdraw their application. If that is the case then the election can be cancelled due to no contest. The deadline for withdraw is February 23rd. After that deadline, it will be determined if a directors election will be held. The directors will not start the new term until May so the current directors will remain in place until that time.

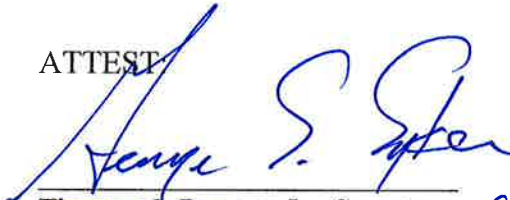
18. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST



Thomas J. Rogers, Jr., Secretary
Reunion Ranch WCID *George E. Eyles Jr.*

