

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 on February 21, 2017 at 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
George “Bubba” Sykes – Assistant Secretary

thus constituting a quorum. Secretary David J. Bosco, Jr. and Assistant Secretary Mike Ehrhardt were absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Michael Slack with Taylor Morrison, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jason Tyler with ST, Garry Kimball with Specialized Public Finance Inc., Frank Krasovec and Dan Pawlik.

3. CITIZEN COMMENTS

There were no citizen comments made at the meeting.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes were included in the agenda package for consideration. Motion was made by Vince Terracina and seconded by President Nathan Neese to approve the January 17, 2017 meeting Minutes as presented. The motion carried unanimously.

5. ACCEPT RESIGNATION OF DIRECTOR MIKE EHRHARDT

Attorney Bill Flickinger reported that Mike Ehrhardt has submitted his resignation from the Board. Motion was made by George Sykes and seconded by President Nathan Neese to accept Mr. Ehrhardt's resignation as submitted. The motion carried unanimously.

6. APPOINT DAN PAWLIK TO FULFILL DIRECTOR MIKE EHRHARDT'S UNEXPIRED TERM OF OFFICE

Dan Pawlik introduced himself to the Board and discussed his professional experience. President Nathan Neese entertained a motion for approval. Motion was made by George Sykes and seconded by Vince Terracina to appoint Dan Pawlik to serve on the Board and to fulfill Mike Ehrhardt's term of office. The motion carried unanimously.

Jeniffer Concienne swore Dan Pawlik into office.

7. ELECTION OF OFFICERS

Attorney Bill Flickinger explained that after a change of Board members, the Board must elect officers. After discussion, motion was made by George Sykes and seconded by Vince Terracina to leave the officers the same and appoint Dan Pawlik as Assistant Secretary. The motion carried unanimously.

8. 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

Developer Michael Slack reported on sales within the District. There have been 203 lots sold to date. The average sales price in the District is \$499,930. There have been 40 60' lots sold, 89 70' lots, 24 80' lots and 50 90' lots sold.

Phase 3, Section 1 consists of 37 60' lots. The contractor is working on installing the water lines and then will be paving in April.

Phase 2, Section 5 consists of 25 80' lots. The contractor will pave this section around the same time as Phase 3 and will be fully completed in May.

The next phase of development will consist of 60', 70' and 80' lots. The engineering process has begun on this phase.

There will be a total of 524 lots on the ground at buildout. Right now, there are 363 lots on the ground.

9. 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 included an updated progress schedule for Phase 3, Section 1. The wastewater flow projection chart was also included, and Mr. Lozano advised that the flows are on track.

Developer Michael Slack inquired about the filing of the major amendment status. Mr. Lozano stated that they are still working on it and he anticipates submitting it to the TCEQ within 60 days.

10. AGREEMENT FOR PROFESSIONAL SERVICES SUBMITTED BY MURFEE ENGINEERING FOR THE DISTRICT'S 3RD BOND ISSUE

Financial Advisor Garry Kimball advised that the District has reached a point now to get an investment grade status for this bond issue. Mr. Kimball discussed the timeline for submission to the TCEQ, sale date and closing. This process should close out in October. The bond issue will not exceed \$5.75 million.

Engineer Dennis Lozano discussed the Agreement for the Provision of Limited Professional Services as submitted for the District's 3rd bond issue. After discussion, President Nathan Neese made a motion to approve the Agreement for the Provision of Limited Professional Services as presented. Vince Terracina seconded the motion. The motion carried unanimously.

11. 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

Jason Tyler discussed the Manager's Report as included in the agenda package. Mr. Tyler discussed the billing summary. There was a total of 214 connections, which is up about 62 connections from last year. The monthly average for residential water use is 6,887 gallons.

Mr. Tyler discussed the collection report and advised that there were seven delinquencies, three door tags hung and no disconnects. The Board inquired about the two delinquent accounts from last month. Mr. Tyler was not aware of those accounts and will get with Kristi Hester to follow-up.

The water quality monitoring level is at 1.30, which is good. The District has 81.95% water accountability in January, which equates to a 18% loss. This will be monitored to be sure everything is ok. The PUA has recently calibrated the meters and are flushing the residential lines today. The wastewater plant is operating at 38% capacity.

12. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt presented and discussed the financials with the Board. Mr. Douthitt will void Mike Ehrhardt's and David Bosco's per diems due to their absence. Today's consideration will include the invoices, per diems and four (4) fund transfers. At this time, there are no concerns with the District's budget. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by President Nathan Neese to approve the payment of the invoices and per diems and authorize the four (4) fund transfers as presented. The motion carried unanimously.

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

Developer Michael Slack discussed and recommended the following pay estimates:

Pay Estimate No. 2 in the amount of \$71,909.10 in connection with Reunion Ranch Phase 2, Section 5 submitted by Cornerstone Site Services; and

Pay Estimate No. 3 in the amount of \$107,541.00 in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP.

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

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

This item is a standing item and was not discussed.

15. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:


Thomas J. Rogers, Secretary
Reunion Ranch WCID

[SEAL]

