

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

STATE OF TEXAS           §  
                                          §  
COUNTY OF HAYS       §

The special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on March 1, 2012, 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, Michael Lindley, Bubba Sykes and Joseph Kozusko, thus constituting a quorum. Carl Williams was absent.

Also present at the meeting were Frank Krasovec, Mike Willatt, Jeniffer Concienne, Robin Melvin, Adib Khoury and Bill Bryant.

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 Bubba Sykes and seconded by President Vince Terracina to approve the minutes of the May 27, 2010 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

Frank Krasovec reported on the transfer of the project. Adib Khoury is the Vice President of Land Development at Taylor Morrison. They are primarily home builders but also do land development. Mr. Krasovec reported that he is selling 437 lots to Taylor Morrison in three installments. Mr. Krasovec is going to retain 39 custom lots to sell. It is hoped that the project will

be built out in four years. There was discussion of the Consent Agreement and the issues involving the ETJ. Taylor Morrison is wanting to close the deal in mid-March. Adib Khoury discussed the fact that they are waiting on the LCRA water contract and if it is not received soon, closing will need to be pushed back. Attorney Robin Melvin indicated that the LCRA is aware that the water contract needs to be done by March 19<sup>th</sup>.

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

This item was not discussed.

7. ASSIGNMENT OF WASTEWATER TREATMENT PLAN PERMITS AND EASEMENTS FROM DRIFTWOOD UTILITY COMPANY, LLC TO REUNION RANCH WCID
8. APPLICATION TO TCEQ TO TRANSFER PLANT A PERMIT FROM DRIFTWOOD UTILITY COMPANY, LLC TO REUNION RANCH WCID
9. APPLICATION TO TCEQ TO TRANSFER PLANT B PERMIT FROM DRIFTWOOD UTILITY COMPANY, LLC TO REUNION RANCH WCID

Items 7 through 9 were heard together.

Attorney Robin Melvin discussed retail water and sewer service to the District. The applications are currently in the name of the developer and need to be changed to the District. Ms. Melvin also discussed the easements related to these permits. After discussion, motion was made by Bubba Sykes and seconded by Michael Lindley to approve the Assignment of Wastewater Treatment Plant Permits and Easements From Driftwood Utility Company, LLC to Reunion Ranch WCID and authorize the filing of the Applications to the TCEQ to Transfer Plants A & B Permits from Driftwood Utility Company, LLC to Reunion Ranch WCID. The motion carried unanimously.

10. ASSIGNMENT OF UTILITY CONSTRUCTION AGREEMENT FROM HAYS REUNION RANCH, L.P. TO TAYLOR-MORRISON

Attorney Robin Melvin discussed the Utility Construction Agreement. The agreement covers all costs of creation, etc. and will need to be transferred to Taylor Morrison so that they can claim the reimbursement. After the closing, they will come back and ask for a new reimbursement agreement. After discussion, motion was made by Michael Lindley and seconded by Joseph Kozusko to consent to the Assignment of the Utility Construction Agreement from Hays Reunion Ranch, L.P. to Taylor Morrison. The motion carried unanimously.

11. AGREEMENT CONCERNING CREATION AND OPERATION OF REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT OF HAYS COUNTY BETWEEN HAYS REUNION RANCH, L.P., THE CITY OF DRIPPING SPRINGS, AND REUNION RANCH WCID

Attorney Robin Melvin discussed the consent agreement between the parties and the City of Dripping Springs. The City has consented and executed the agreement and President Vince Terracina previously signed the agreement as well, due to timing issues. There was discussion as to what this agreement accomplishes. Frank Krasovec stated that this agreement was needed for entitlements of the District regardless if the transaction closes with Taylor Morrison. After discussion, motion was made by Bubba Sykes and seconded by Michael Lindley to approve the Agreement Concerning Creation and Operation of Reunion Ranch Water Control and Improvement District and to ratify its execution by the President. The motion carried unanimously.

12. APPLICATION OF THE DISTRICT FOR AN LCRA RAW WATER CONTRACT

Attorney Mike Willatt discussed the raw water contract with the LCRA. Murfee Engineering is working on this task to get the contract in the name of the District. After discussion, motion was made by President Vince Terracina and seconded by Joseph Kozusko to ratify the filing of the application to the LCRA for a raw water contract and to authorize the President to sign the contract after it has been prepared. The motion carried unanimously.

13. APPLICATION OF THE DISTRICT FOR CERTIFICATES OF CONVENIENCE AND NECESSITY FOR WATER AND WASTEWATER SERVICE


Attorney Mike Willatt discussed obtaining CCNs for water and wastewater from the TCEQ. Obtaining CCNs will avoid possible intrusion from other parties wanting to provide service. Attorney Robin Melvin stated it would be a good idea for the District to obtain these CCNs. Adib Khoury indicated that they will want CCNs in place for the District. Motion was made by Michael Lindley and seconded by Bubba Sykes to authorize the filing of applications to obtain water and sewer CCNs from the TCEQ.

14. ORDER CALLING DIRECTORS ELECTION

Attorney Mike Willatt stated that the District must hold an election in even-numbered years. President Vince Terracina and Bubba Sykes are up for re-election. Most likely the election will be cancelled due to no contest. Motion was made by Bubba Sykes and seconded by Michael Lindley to adopt the Order Calling Directors Election as presented. The motion carried unanimously.

15. ADJOURN

The meeting was adjourned.

  
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Vince Terracina, President  
Reunion Ranch WCID

ATTEST:

  
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George Sykes, Secretary  
Reunion Ranch WCID

