

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 March 18, 2014, 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 Nathan Neese, Vince Terracina, David Bosco, Bubba Sykes and Joel DeSpain, thus constituting a quorum. All Directors were present.

Also present at the meeting were Michael Slack, Dennis Lozano, Bill Flickinger, Jeniffer Concienne, Mary Bott and Scott Manuel.

Jeniffer Concienne conducted the meeting.

3. CITIZEN COMMENTS

Bubba Sykes reported on his discussions with Julie Collette at AquaSurance on the issue of Taylor Morrison owning the wastewater treatment plant but the District carrying the insurance. AquaSurance has agreed to name Taylor Morrison as an additional insured on the policy. This item will be added to next month's agenda for further discussion and possible action by the Board if needed.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by David Bosco and seconded by Vince Terracina to approve the minutes of the February 18, 2014 meeting as presented. The motion carried unanimously.

5. ORDER CALLING DIRECTOR'S ELECTION AND ALL RELATED DOCUMENTS

Jeniffer Conciencie reported that the election can be cancelled due to no contest. The Board Secretary has certified that the candidates being Nathan Neese, David Bosco and Joel DeSpain are unopposed. Therefore, motion was made by Bubba Sykes and seconded by Vince Terracina to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election as presented. The motion carried unanimously.

6. 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

Michael Slack reported on the sales within the District. The total sales are 55 lots, being 23 on the 90' lots and 32 on the 70' lots. The average price in the District is \$430,000+. They are currently landscaping the remainder of Reunion Boulevard and working on the irrigation. Phase 1C will consist of 28 lots and will be paved early next week. Also, the digging of the pool for the amenity center should begin on Friday. There was discussion of the time line for the bridge work and construction on the back side of the District. It is hoped that the bridge work and phases will all be complete by May 2015. Mr. Slack stated to the Board that the directors lot overlaps some of the residential lots and will need to be relocated. Attorney Robin Melvin is working on this.

7. 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 reported on the land issues in connection with the permitting of the wastewater treatment plant. He has submitted the application, but anticipates that the TCEQ will inquire about the legal right to use the land for irrigation. The applicant, which is the District must show its legal right to use the irrigation area. This can be accomplished by an easement or lease from Taylor Morrison. Mr. Lozano also stated that the pressure reducing valve has been installed at the front of the subdivision. The design on the second wastewater treatment plant has been pushed back for a while. It would be a better idea to just do a lift station for now and consolidate the permits. Approximately three hundred homes must be built before the other plant can be done.

8. 1ST AMENDMENT TO WATER SALE CONTRACT NO. 8000188425

Attorney Bill Flickinger discussed the amendment to the Water Sale Contract as included in the agenda package. The amendment increases the maximum acre-fee of raw water from 240 to 262 acre-feet per year. After discussion, motion was made by President Nathan Neese and seconded by Bubba Sykes to approve the 1st Amendment to Water Sale Contract No. 8000188425 and authorize the President to execute the amendment as presented. The motion carried unanimously.

9. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

Attorney Bill Flickinger advised that before the Drought Contingency Plan can be amended, a public hearing must be held. President Nathan Neese opened the public hearing on the Drought Contingency Plan. Hearing no comments, the public hearing was closed.

10. DROUGHT CONTINGENCY PLAN AND WATER SCHEDULE

Michael Slack stated his concern about the water restrictions due to building the amenity center. Dennis Lozano indicated that this amendment only pertains to watering once a week on a temporary basis. The District received a letter from the LCRA outlining the mandatory outdoor water restriction to once a week. Mr. Lozano and Scott Manuel indicated that a variance would need to be obtained through ST for the building of the swimming pool at the amenity center. Mr. Slack will work with ST on that matter. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the Temporary Amendment to Drought Contingency Plan as presented. The motion carried unanimously.

11. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed the report as included in the agenda package. There is still a lot of water that cannot be accounted for. This period was a 31% water loss. Mr. Manuel stated that it could be a meter reading issue, which if it is, it will only be a small part. ST is working with Taylor Morrison on finding where the water is going. If the report next month shows another big loss, he recommends hiring a leak detection company. Mr. Manuel reported on the water and wastewater connections, which total 103. He also discussed some warranty and maintenance issues at the plant, which he is also working with Taylor Morrison on. There is a bar screening issue that may need to be changed out or get a self-cleaning device. Michael Slack stated that there needs to be a long term solution. There is also a drip field issue, which may be warranted. Mr. Manuel will bring proposals to the next meeting.

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

Mary Bott discussed the bookkeeper's report and presented an updated cash activity report. Mrs. Bott stated that the lower interest rate is reflected on the PUA invoice. There was discussion

of amending the budget in June to do a true-up. Michael Slack stated that at the end of the month, they are eligible for reimbursement on the previous impact fees from the prior pipelines and was wanting help to create a report on those amounts including the interest. Mrs. Bott advised that she will be able to help him with that report and indicated that information is on the lot schedule that she provides. Mr. Slack will get with attorney Mike Willatt on the interest calculation on those amounts. The PUA wants to simplify the process so that it does not have to calculate the interest. After discussion, motion was made by President Nathan Neese and seconded by David Bosco to approve payment of the per diems, invoices and fund transfer to the bookkeeper's account. The motion carried unanimously.

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

Michael Slack discussed and recommended approval of the following pay estimates and change order:

- Pay Estimate No. 1 WR in the amount of \$204,301.80 in connection with the Reunion Ranch Phase 1C - Water, Wastewater and Drainage Improvements submitted by DNT Construction; and
- Pay Estimate No. 2WR in the amount of \$1,192.50 in connection with the Reunion Ranch Phase 1C - Water, Wastewater and Drainage Improvements submitted by DNT Construction; and
- Change Order No. 1 in the amount of \$15,000.00 in connection with the Reunion Ranch Phase 1C - Water, Wastewater and Drainage Improvements submitted by DNT Construction.

Motion was made by Bubba Sykes and seconded by Vince Terracina to approve the pay estimates and change order as presented. The motion carried unanimously.

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

This is a standing item. There was no discussion.

15. CONVEYANCE OF PHASE IV PIPELINE AND ASSIGNMENT OF RELATED EASEMENTS TO WEST TRAVIS COUNTY PUA

Attorney Bill Flickinger reported that Mike Willatt sent the conveyance documents to the attorney for the PUA and has not received a response back from her. Michael Slack should contact

Don Rauschuber on this matter. Mr. Slack actually had an update to give. Mr. Slack spoke with Curtis Wilson at the PUA and Mr. Wilson advised that the PUA had no record of receiving certain documentation, such as the concurrence letter, as-builts, facilities list, etc. This information was provided to them previously, but Engineer Dennis Lozano will be taking the material to them after the Board meeting. Mr. Wilson also indicated to Mr. Slack that a formal request for conveyance needs to be submitted. The deadline for connections to be made is March 31st but to be reimbursed by May 31st. Mr. Flickinger advised that Mike Willatt said that the agreement should be amended if the deadline cannot be met by the PUA.

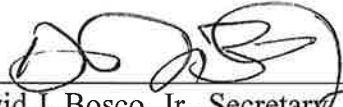
16. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



David J. Bosco, Jr., Secretary
Reunion Ranch WCID

[SEAL]

