

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 at 2:00 p.m. on March 19, 2019 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:

Vince Terracina – Vice President
Thomas J. Rogers, Jr. – Secretary
Dennis Daniel – Assistant Secretary

thus, constituting a quorum. President Nathan Neese and Assistant Secretary George “Bubba” Sykes was absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Jessica Benson with Bott & Douthitt, Jesse Kennis with InfraMark, LLC and Mike Moyer with Taylor Morrison.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

Vice President Vince Terracina entertained a motion for approval on the Minutes. Motion was made by Dennis Daniel and seconded by Tom Rogers to approve the February 19, 2019 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 within the District. A total of 337 homes have been sold in the District. The average appraised value within the District is \$508,539. Mr. Moyer reported that there have been approximately 8 home sales in the last 30 days, which he is really pleased with.

Mr. Moyer discussed the status of the last phase within the District. The wet utilities are being installed. The construction schedule is currently ahead of plan. The anticipated paving date is July 11th with a completion date in September.

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

Mike Moyer discussed and recommended approval of several applications for payment for Phase 3 Section 3.

Application for Payment No. 1 submitted by JL Gray Construction, Inc. for Reunion Ranch Phase 3 Section 3 Utilities in the amount of \$28,371.78; and

Application for Payment No. 2 submitted by JL Gray Construction, Inc. for Reunion Ranch Phase 3 Section 3 Utilities in the amount of \$219,162.51; and

Application for Payment No. 3 submitted by JL Gray Construction, Inc. for Reunion Ranch Phase 3 Section 3 Utilities in the amount of \$108,640.03.

After discussion, motion was made by Vice President Vince Terracina and seconded by Tom Rogers to approve Applications for Payment Nos. 1, 2 and 3 as presented. The motion carried unanimously.

Manager Jesse Kennis discussed the need for Inframark to operate and maintain the lift station located off of Katy Drive. That section has not yet been accepted by the District. There was discussion of what is needed for the District to accept that project. Developer Mike Moyer will obtain a concurrence letter from CBD for consideration at next month's meeting. After discussion, motion was made by Dennis Daniel and seconded by Tom Rogers to authorize Inframark to operate the lift station off of Katy Drive. The motion carried unanimously.

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

This item was not discussed.

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; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY; PROPOSALS FROM DISTRICT ENGINEER IN CONNECTION WITH USE OF EFFLUENT TO IRRIGATE RIGHTS-O-WAY AND TIMELINE FOR SAME

Engineer Dennis Lozano discussed his engineer's report with the Board. Mr. Lozano reported on the construction status within the District.

In regard to the TLAP Major Amendment, the draft permit has been issued and the notice was published in the newspaper. The public comment period has begun. There was discussion as to what entity will fund the expansion. Mr. Lozano is working with Taylor Morrison on several matters at the treatment plant. Dennis Daniel would like to see an agenda item on funding the expansion on the next agenda. Mike Moyer advised that it was Taylor Morrison's intent to pay for the expansion. Mr. Lozano will also get with the District's financial advisor on this matter.

The water and wastewater flows and projections were attached to Mr. Lozano's report.

Mr. Lozano discussed the GIS database development and each of its layers.

9. WASTEWATER TREATMENT PLANT B; PERMIT RENEWAL #WQ001440002

The TLAP Renewal for Plant B was declared administratively complete by the TCEQ. The first notice period for comments will begin next week.

10. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 5TH BOND ISSUE

Engineer Denis Lozano reported that the draft summary of costs is under way and an initial documentation request has been made of Taylor Morrison. Mike Moyer discussed the timing of the bond issue. Mr. Lozano hopes to get something out next week and possibly submit to the TCEQ in April or May.

11. COMMITTEE REPORTS

- a. Trail/Map/Ownership committee
- b. PUA rate committee

Committee Member Dennis Daniel reported that the committee has not yet met.

12. TRAIL SYSTEM WITHIN THE DISTRICT; MAP OF THE DISTRICT/HOA PROPERTY; CONVEYANCES, EASEMENTS AND/OR LICENSE AGREEMENTS TO THE DISTRICT OR HOA FROM DEVELOPER

Mike Moyer reported that Taylor Morrison would like to deed as much property over as they can this year. There was discussion of the wastewater treatment plant expansion, reuse & drip fields and the ponds. Mr. Moyer would like to get a direction from the Board as to what should be turned over to the HOA or District. Attorney Bill Flickinger suggested having a committee meeting to discuss these matters in detail. There was discussion of license agreements and bills of sale. As of today, the only land deeded is the amenity center, which went to the HOA.

13. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality

Manager Jesse Kennis presented an Executive Summary of District matters.

In regard to the water system, there are 347 active connections within the District. 2.3 million gallons of water was consumed for the month. The chlorine and bacteriological samples were satisfactory. The delinquencies for February are as follows: 15 letters were mailed out, five door tags were hung and there were no disconnects for non-payment.

The water loss went up to 12.62%. Mr. Kennis will keep an eye out on loss. Annually the figures look good.

The wastewater plant is operating at 58% capacity and is in full compliance. There needs to be a long-term solution for pump and haul and solids management. The solids need to come down.

There was discussion of the misting system at the wastewater plant. Mr. Kennis advised that the system has not yet been turned on. Dennis Lozano recommends that the District look into a booster system for the misters.

14. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 13 ABOVE

This item was not discussed.

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

Bookkeeper Jessica Benson discussed the financials with the Board. Today's consideration will include payment of vendor invoices and per diems and authorization of a fund transfer. The per diems for President Nathan Neese and Assistant Section George Sykes will be voided due to their absence. The District has a favorable variance in regard to the budget and 98.7% of the District's taxes have been collected. After discussion, motion was made by Tom Rogers and seconded by Dennis Daniel to approve payment of the vendor invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

16. PENDING STATE LEGISLATION

Attorney Bill Flickinger reported that this is a place holder for any pending state legislation the Board wishes to discuss. Mr. Flickinger is not aware of any pending issues at this time.

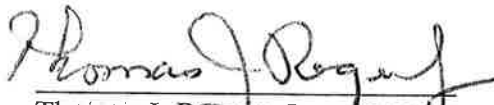
17. ADJOURN

Vice President Vince Terracina adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



Thomas J. Rogers, Jr., Secretary
Reunion Ranch WCID

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