

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 March 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  
George “Bubba” Sykes – Assistant Secretary  
Dan Pawlik – Assistant Secretary

thus, constituting a quorum. Secretary Tom Rogers was absent.

Also, present at the meeting were Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Frank Krasovec with Norwood Investments, Bryce Canady with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester with INFRAMARK, LLC and Mike Moyer with Taylor Morrison.

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 Dan Pawlik to approve the February 20, 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 presented an updated phasing map and discussed the construction schedule for each phase. Mr. Moyer then discussed the homebuilding metrics. 269 homes have been sold to date. The average appraised value within the District has increased to \$506,753.

Mr. Moyer reported that Phases 2-4, 3-2 and 3-5 are all still under construction. Those phases include 60', 70' and 80' lots. Paving is scheduled to begin in May. Phase 3-3 is in the design process and should be able to start construction in the summer.

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 estimates and change order:

Pay Estimate No. 4 in the amount of \$283,971.74 in connection with Reunion Ranch Phase 3, Sections 2 & 5 submitted by JKB Construction Company, LLC; and

Change Order No. 1 in the amount of \$15,210.00 in connection with Reunion Ranch Phase 3, Sections 2 & 5 submitted by JKB Construction Company, LLC; and

Pay Estimate No. 3 in the amount of \$186,621.39 in connection with Reunion Ranch Phase 2, Section 4 submitted by Central Road and Utility, Ltd.; and

Pay Estimate No. 4 in the amount of \$109,360.88 in connection with Reunion Ranch Phase 2, Section 4 submitted by Central Road and Utility, Ltd.

After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve payment of the foregoing pay estimates and change order 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 Bryce Canady discussed the engineering report as included in the agenda package.

Mr. Canady stated that Phases 2-4, 3-2 and 3-5 are under construction. Mr. Canady outlined the installation of utilities in each phase.

Murfee Engineering is still responding to the comments from the TCEQ on the TLAP permit. Those comments should be submitted back to the TCEQ this week.

The wastewater flows are tracking at the same growth rate as before and it is anticipated that wastewater treatment plant will be expanded in 2022.

9. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 4<sup>TH</sup> BOND ISSUE

Engineer Bryce Canady reported that the bond issue will be in the amount of \$5,000,000. This issue will reimburse Phases 2-2 & 2-3 as well as the lift station.

10. 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 283 connections, 274 of which are residential. The average monthly water consumption for residential use is 6,599 gallons. Total water receivables for the month of February was \$32,069. The delinquencies for February are as follows: seven letters were mailed out, two door tags were hung and there were no disconnects.

Mrs. Hester reported that the winter averaging is over. In regard to the water quality monitoring, the mono chlorine dropped last month, but is now back up and looks good. The water accountability is at 99.73%, which is great. The wastewater plant is operating at 46% capacity and is in full compliance. Mrs. Hester discussed the historical wastewater flows into the plant. The

average is 23,000 gallons per month or 81 gallons per day per connection. There were no maintenance issues at the plant in the month of February.

11. 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 two fund transfers from the tax account to the operating account and the other to the debt service account. Mr. Douthitt will void Tom Rogers' per diem due to his absence. Once again, the District is ahead of plan in regard to the budget. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Dan Pawlik 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

12. DIRECTORS ELECTION

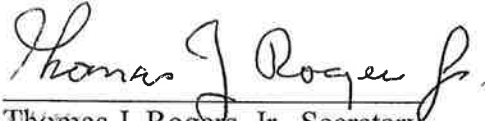
Attorney Matt McPhail discussed the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election due to no contest. Dan Pawlik withdrew his Application for Place on Ballot therefore alleviating the need for a directors election. Nathan Neese, Tom Rogers and Dennis Daniel will be elected to a four-year term in May. After discussion, motion was made by Bubba Sykes and seconded by Vince Terracina to approve the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election as presented. The motion carried unanimously.

13. ADJOURN

President Nathan Neese adjourned the meeting.

  
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Nathan Neese, President  
Reunion Ranch WCID

ATTEST:

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

[SEAL]

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3/29/18