

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 March 21, 2017 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 David J. Bosco, Jr. was 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, Kristi Hester with ST, Frank Krasovec and Tom Rogers.

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 Bubba Sykes and seconded by Vince Terracina to approve the February 21, 2017 meeting Minutes as presented. The motion carried unanimously.

5. ACCEPT RESIGNATION OF DIRECTOR DAVID BOSCO, JR.

Jeniffer Conciencie reported that David Bosco has submitted his resignation from the Board and conveyed his interest in the directors' lot back to Taylor Morrison. Motion was made by Bubba Sykes and seconded by Vince Terracina to accept Mr. Bosco's resignation as submitted. The motion carried unanimously.

6. APPOINT THOMAS J. ROGERS TO FULFILL DIRECTOR DAVID BOSCO, JR.'S UNEXPIRED TERM OF OFFICE

Tom Rogers introduced himself to the Board. Mr. Rogers is a retired auditor and served on the Lakeway MUD board for 12 years. He is glad to be considered for appointment to the Board. Motion was made by Vince Terracina and seconded by President Nathan Neese to appoint Tom Rogers to serve on the Board and to fulfill David Bosco's term of office. The motion carried unanimously.

7. ELECTION OF OFFICERS

Attorney Bill Flickinger explained the need to elect officers due to Tom Rogers' appointment. After discussion, motion was made by Bubba Sykes and seconded by Vince Terracina to leave the other officers the same and appoint Tom Rogers as Secretary. The motion carried unanimously.

8. E-MAIL POLICY

Attorney Bill Flickinger discussed the e-mail policy with the new board members. It is important to remember the policy and not "reply to all" when replying to e-mails. When there are questions the director should contact our office.

9. 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 there have been 208 lots sold to date. The breakdown is as follows: 40 60' lots, 91 70' lots, 27 80' lots and 50 90' lots have been sold. The average sales price in the District is \$501,826.

Phase 3, Section 1 consists of 37 60' lots. The project is almost complete. There was a delay in paving due to the weather.

Phase 2, Section 5 consists of 25 80' lots. This project is running on the same schedule at Phase 3 above.

Mr. Slack advised that permits should be obtained in August/September on the next phase of development which will consist of 60', 70' and 80' lots.

Bubba Sykes would like to get an updated plat showing all the development. The one he currently has, has been outdated for quite some time. Mr. Slack advised he would have it for him at the next board meeting.

10. 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's office is inspecting the water, wastewater and drainage facilities for Phases 2-5 and 3-1. There was discussion on required testing of existing wastewater collection systems located in the Edwards Aquifer Recharge Zone. This testing is required every 5 years. Mr. Lozano recommends hiring an inspection contractor to perform the testing. He will bring a proposal for the next meeting, along with their engineering proposal.

The wastewater flow projections are tracking on schedule. It appears that in 2023/2024 it will be time for a new expansion plant to come online.

Mr. Lozano discussed the progress of the wastewater amendment. The package has been put together and he anticipates filing it within the next 30/60 days. The amendment expands the existing plant instead of having to build the new plant on the south side of the District.

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
- G. Delinquencies

Manager Kristi Hester reported on the status of a delinquent account. This account has been in default since May of 2016. There have been numerous times that ST has volunteered to check the owner's irrigation panel and for leaks but the owner has refused. The account is scheduled for disconnect tomorrow. Mrs. Hester spoke to the owner today and informed her of the situation, including the disconnect. The owner is not willing to get on a payment arrangement. The owner is averaging 22,000 gallons per month. After discussion, motion was made by Vince Terracina and seconded by Tom Rogers to schedule the account for disconnect and authorize ST to negotiate a payment plan with the owner as ST deems appropriate. The motion carried unanimously.

Mrs. Hester then discussed the billing summary. There are 206 residential connections, compared to 151 last year. Residential consumption equals 1,620,000 per month, with the average homeowner using 7,864 gallons per month. ST is working with the PUA on the water quality monitoring. The chlorine read this morning was 1.3. Mrs. Hester reported on the water loss. It is up again to 17% so they will start investigating to see if there is a leak and where it might be. The wastewater plant is running at 42% 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 David Bosco's per diem due to his absence. Today's consideration will include the invoices, per diems and two (2) fund transfers. Mr. Douthitt reported that the District had 11 new connections in February so a large check will be remitted to the PUA for the impact fees. The District is currently running within budget. 96% of the taxes have been collected through February. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the payment of the invoices and per diems and authorize the two (2) fund transfers as presented. The motion carried unanimously.

13. ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 3RD BOND ISSUE

Engineer Dennis Lozano discussed the District's upcoming bond issue. This issue should cover Phase 2, Sections 1 & 2, operating advances and the balance of impact fees. Mr. Lozano's plan is to submit the application in April or May. Anticipated funding will occur in September/October.

14. RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT AND \$5,750,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT BOND ISSUE

There was discussion of the Resolution authorizing the application to the TCEQ on its contents and whether the surplus funds should be included in the Resolution. After discussion, this item was tabled and will be brought to the next board meeting for action.

15. 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. 3 in the amount of \$211,785.07 in connection with Reunion Ranch Phase 2, Section 5 submitted by Cornerstone Site Services; and

Pay Estimate No. 4 in the amount of \$418,950.45 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 Bubba Sykes and seconded by Tom Rogers to approve payment of the foregoing pay estimates as presented. The motion carried unanimously.

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

This item is a standing item and was not discussed.

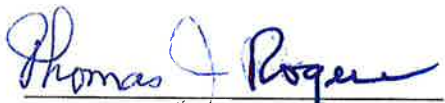
17. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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

[SEAL]

