

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 April 16, 2013, 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 Todd Janssen, Vince Terracina, David Bosco, Bubba Sykes and Nathan Neese, thus constituting a quorum. All Directors were present.

Also present at the meeting were Michael Slack, Mike Willatt, Jeniffer Concienne, Allen Douthitt and Scott Manuel.

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. President Todd Janssen entertained a motion for approval. Motion was made by Vince Terracina and seconded by David Bosco to approve the minutes of the March 21, 2013 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

Michael Slack reported that the development is mostly done. There are a few items left in connection with the reveg. The county has accepted the project and the as-builts and concurrence

letters have been sent to the engineers. There was discussion regarding the clean-up around the creek. The contractor is consulting with an environmental company in regards to the clean-up. It is possible that if left alone, mother nature will take care of it. When the contractor bored under the creek, the drilling mud entered the creek and now there is a white substance stuck on the bottom. The water is crystal clear, but you can see the white on the bottom of the creek. The TCEQ inspector said it was okay as well as CRI. However, PUA wants it cleaned but they do not have a recommendation as to how to get it accomplished. There was discussion of the contractor indemnifying the PUA on this issue.

Mr. Slack said that seven hydrants were set to irrigate the reveg and when completed, should close out the project. It will probably take several months for that to occur.

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

Engineer George Murfee was not in attendance.

7. MANAGER'S REPORT

Scott Manuel discussed the purchased water report as included in the agenda package. There was discussion of the prior reads in connection with the flushing of the lines and use of water for landscaping.

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

Allen Douthitt discussed the financials and the updated cash activity report. Mr. Douthitt explained that Taylor Morrison overpaid impact fees previously and he will be submitting those back to Taylor Morrison. The District is ahead of plan on the budget due to the connection fees not being budgeted for. Mr. Douthitt discussed the need to open a TexPool account to put funds in that will not have to be collateralized. The District's depository, Citizen's Bank, is required to collateralize funds, which they go through Wells Fargo to do so. Mr. Douthitt has the paperwork for signature if approved. After discussion, motion was made by David Bosco and seconded by Bubba Sykes to approve payment of the per diems, invoices and fund transfer to the bookkeeper's account as presented. The motion carried unanimously. Motion was then made by David Bosco and seconded by President Todd Janssen to authorize Bott & Douthitt to establishing a TexPool account on behalf of the District. The motion carried unanimously. Motion was also made by Bubba Sykes and seconded by Nathan Neese to authorize signature of the Wells Fargo Agreement in connection with collateralized funds together with the District's depository, Citizen's Bank. The motion carried unanimously.

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

Michael Slack discussed the change orders and pay estimate as included in the package. Mr. Slack also had another pay estimate that was not included in the package. President Janssen reviewed that pay estimate in detail. After discussion, motion was made by President Todd Janssen and seconded by Bubba Sykes to approve the following change orders and pay estimates:

- Change Order No. 2 in the amount of \$9,900.00 in connection with the RR Phase 1A - Water, Wastewater and Drainage submitted by Nelson Lewis Inc.; and
- Change Order No. 3 in the amount of \$22,695.00 in connection with the RR Phase 1A - Water, Wastewater and Drainage submitted by Nelson Lewis Inc.; and
- Change Order No. 4 in the amount of a deduct for (\$34,147.50) in connection with Reunion Ranch Wastewater Treatment Plant submitted by Waste Water Solutions; and
- Pay Estimate No. 8 in the amount of \$8,865.00 in connection with the FM 1826 Water Line Improvements submitted by Nelson Lewis, Inc.; and
- Pay Estimate No. 9 in the amount of \$8,073.00 in connection with the FM 1826 Water Line Improvements submitted by Nelson Lewis, Inc.

The motion carried unanimously.

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

Michael Slack reported that they have advertised for bids twice on the Phase 1B project. They held a pre-bid meeting this morning. Six bids were received. He anticipates awarding the project at the May Board meeting. Construction should begin in mid-May.

11. AMENDMENT OF WHOLESALE WATER CONTRACT WITH WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
12. AMENDMENT OF FIRM WATER CONTRACT WITH LCRA (RAW WATER CONTRACT)

13. PREPAYMENT OF WEST TRAVIS COUNTY-PUA IMPACT FEES AND RECEIPT OF REIMBURSEMENTS FOR PHASES I, II AND III OF THE LCRA WATER LINE

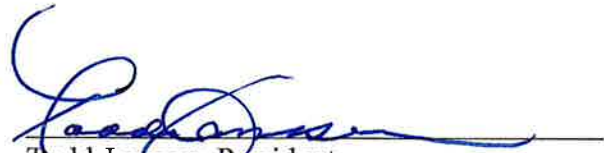
Item Nos. 11, 12 and 13 were heard together.

Attorney Mike Willatt reported that Engineer George Murfee is working on Items 11 and 12 and will be about 5 months until completed.


Michael Slack wants to increase the water reservation in the contract with the PUA. There was discussion of the PUA meeting that took place yesterday. The PUA wants to allocate the cost of the debt service between all parties so that the debt can be paid off in 30 years. Each party would pay a minimum bill. The reservation fee will also be increased. There are some parties that wish to give back some of its reserved water and as stated previously, the District wants more. The PUA recently provided an extension to the District on paying for the impact fees. Nathan Neese inquired about adopting a new water rate to absorb the debt payment to the PUA. Mr. Slack said that he will need to find out what the minimum bill will be first. Mr. Slack also stated that they are leaning toward prepaying the impact fees. They are still figuring out the reimbursements for the Phases I, II and III of the LCRA water line. No action was required.

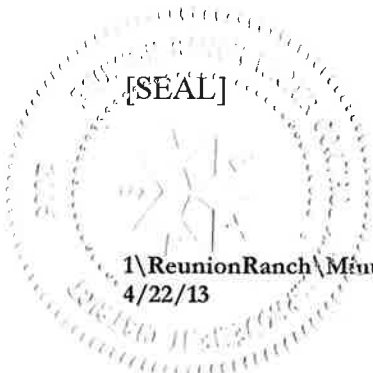
14. ADJOURN

President Todd Janssen adjourned the meeting.

  
Todd Janssen, President  
Reunion Ranch WCID

ATTEST:

  
David J. Bosco, Secretary  
Reunion Ranch WCID



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