

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 April 16, 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:

Nathan Neese - President
Vince Terracina – Vice President
Thomas J. Rogers, Jr. – Secretary
George “Bubba” Sykes – Assistant Secretary

thus, constituting a quorum. Assistant Secretary Dennis Daniel was absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, Kristi Hester with InfraMark, LLC, Michael Slack with Taylor Morrison, Frank Krasovec with Norwood Investments and Stephen Jones with Murfee Engineering.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve the March 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

Frank Krasovec reported on the status of the custom homes in his section. He currently has a couple of builders taking down lots and constructing homes.

Michael Slack reported that 348 homes have been sold to date. The average appraised value within the District is \$508,391. The breakdown of sales are as follows: 102 60' lots, 138 70' lots, 56 80' lots and 52 90' lots. The last phase to be developed by Taylor Morrison is Phase 3 Section 3. Paving should occur in July with a total completion date of August 2019.

6. 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 an application for payment for Phase 3 Section 3.

Application for Payment No. 4 submitted by JL Gray Construction, Inc. for Reunion Ranch Phase 3 Section 3 Utilities in the amount of \$513,466.60.

After discussion, motion was made by Tom Rogers and seconded by Vince Terracina to approve Application for Payment No. 4 as presented. The motion carried unanimously.

As discussed at the last board meeting, Inframark will need the District to accept Phase 2 Section 4 for operation and maintenance. Inframark will operate and maintain the lift station located off Katy Drive. Michael Slack and Attorney Bill Flickinger discussed that fact that the contractor is going out of business. There was discussion as to what will be needed to ensure quality work on the project. The bonding company is working on getting through all the construction contracts. Mr. Slack advised that he will be requesting a maintenance bond for CRU's projects. After discussion, motion was made by Tom Rogers and seconded by President Nathan Neese to accept Phase 2 Section 4 for operation and maintenance effective upon receipt of the maintenance bond. 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-OF-WAY AND TIMELINE FOR SAME

Engineer Stephen Jones discussed the engineer's report with the Board.

Regarding the wastewater flow projections, the projected expansion for the WWTP is August 2022. Murfee will begin putting plans together by the end of the year.

9. WASTEWATER TREATMENT PLANT B; PERMIT RENEWAL #WQ001440002

The permit was declared administratively complete and the Notice has been published as required.

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

Michael Slack asked about the timing for submission of the bond application. Mr. Jones will relay the inquiry to the District's engineer.

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

No further discussion was had.

12. COST ESTIMATE; PLANT EXPANSION EXPENSES FUNDED BY DEVELOPER THROUGH REIMBURSEMENT OR DISTRICT THROUGH ISSUANCE OF BONDS

There was discussion of the cost to expand the wastewater plant. Manager Kristi Hester advised that they will be meeting with the District's engineer to go over details on the expansion. Michael Slack has requested all the information from Engineer Dennis Lozano and will follow-up with him.

13. COMMITTEE REPORTS
a. Trail/Map/Ownership committee
b. PUA rate committee

No such committee meetings have occurred.

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

This matter was not discussed.

15. 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 Kristi Hester discussed the Manager's Report as included in the agenda package.

There is a total of 353 connections, 341 of which are residential. The average monthly water consumption for residential use is 5,839 gallons. Total water receivables for the month of March was \$43,539. Michael Slack inquired about the HOA meter and Manager Kristi Hester advised that it was a tracking meter. Inframark found a meter near the wastewater plant and amenity center that was connected. This meter needs to be separated. They would like to separate the 2" meter at a cost of \$5,000. Prior to approval of that additional meter, Michael Slack would like to inspect the installation.

The delinquencies for March are as follows: 13 letters were mailed out, 10 door tags were hung and there were no disconnects.

Mrs. Hester reported on the water quality monitoring. All levels are on track. The water accountability is at 93%.

The wastewater plant is operating at 60% capacity. Mrs. Hester reported that the TSS levels are not in compliance. This failure has been reported to the TCEQ. Mrs. Hester discussed the BOD excursion that occurred in January, which increased sludge hauling. The District needs to look at options to reduce the sludge, such as a sludge box or aeration basin. Due to the low flow facilities, it is causing the solids to build. Inframark has added more testing and sampling to get ahead of this issue. Mrs. Hester advised that the District may need a special board meeting at the end of May to approve a short-term solution for the TSS issue. There was discussion of the solids being watered down to help alleviate the buildup.

16. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 15 ABOVE

Mrs. Hester discussed a motor failure that runs the aeration. The motor had a bearing issue. It is recommended that this motor be repaired as a spare motor. However, the order time is 12 to 14 weeks. Mrs. Hester recommends a new SPR motor. President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Tom Rogers to approve the expenditure for a new SPR motor at a price not to exceed \$12,000. The motion carried unanimously.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. Today's consideration will include payment of vendor invoices and per diems and authorization of two fund transfers. The per diem for Dennis Daniel will be voided due to his absence. The District's budget is busting due to the sludge hauling. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to approve payment of the vendor invoices and per diems and authorize the fund transfers as presented. The motion carried unanimously.

18. PENDING STATE LEGISLATION


Attorney Bill Flickinger discussed H.B. 2 regarding rollback rates and automatic election. There was also discussion of S.B. 239 regarding video taping all board meetings and meeting in the District or within a 10-mile radius.

19. RESOLUTION ESTABLISHING OFFICES, MEETING PLACES AND REGULAR MEETING TIMES

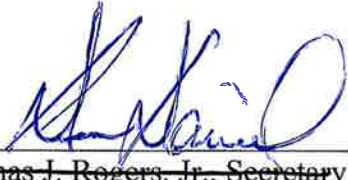
A revised Resolution Establishing Offices, Meeting Places and Regular Meeting Times was included in the agenda package. The revisions included removal of several meeting locations. The Resolution will be filed with the TCEQ and published in the Hays Free Press as required. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to adopt the Resolution as presented. The motion carried unanimously.

20. ADJOURN

Vice President Vince Terracina adjourned the meeting.


Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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

Dennis Daniel

