

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 17, 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  
Tom Rogers - Secretary  
George “Bubba” Sykes – Assistant Secretary  
Dan Pawlik – Assistant Secretary

thus, constituting a quorum. All directors were present.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Frank Krasovec with Norwood Investments, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester and Todd Burrer with INFRAMARK, LLC, Mike Moyer with Taylor Morrison and resident Dennis Daniel.

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 March 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 discussed the homebuilding metrics. 275 homes have been sold to date. Approximately four units a month are being sold in the District. The average appraised value within the District is \$504,523.

Frank Krasovec reported that Taylor Morrison took down the last tract of land. Mr. Krasovec also reported on the status of the custom home lots located in the gated section of the District. Nalle Custom Homes will be the builder. That section will also have a sub-HOA.

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:

Pay Estimate No. 5 in the amount of \$357,596.10 in connection with Reunion Ranch Phase 3, Sections 2 & 5 submitted by JKB Construction Company, LLC; and

Pay Estimate No. 5 in the amount of \$37,962.94 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 Tom Rogers to approve payment of the foregoing pay estimates as presented. The motion carried unanimously.

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

Mike Moyer reported that Phase 3-3 is in design. The permit should be issued in late summer and bid after that time.

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 Dennis Lozano discussed the engineering report as included in the agenda package. All the construction is getting toward the end of the contracts. There have been no further comments on the TLAP permit. Mr. Lozano reported the wastewater plant is holding

steady and the new plant should be up and running in 2022. There was discussion of how to size the new plant.

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

Attorney Bill Flickinger inquired about the status of the bond application. Engineer Dennis Lozano reported that it is not yet finalized. Therefore, this item will be tabled until next month's meeting.

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

Engineer Dennis Lozano reported that the bond issue will be in the amount of \$5,000,000 and will reimburse the balance of Phases 2-2 & 2-3 as well as the lift station.

11. TLAP IRRIGATION MANAGEMENT PLAN; AMENDMENT TO INFRAMARK CONTRACT

Engineer Dennis Lozano reported on the all the staff changes at the TCEQ and the reviewers asking for different documentation than what was asked for in the past. The TCEQ is requiring that the management contract have specific language pertaining to the drip fields. Manager Kristi Hester advised the contract was prepared in 2012 when the wastewater plant came online and the contract has not been amended since. Mrs. Hester presented attorney Bill Flickinger with a redline draft, which included language on the sub-surface drip fields, rate changes and updating the company name. Mr. Flickinger advised that since he had not yet reviewed this draft contract, he would need to review it and it could then be taken up at the next board meeting. Mrs. Hester reported on the rate changes. The current contract provides for \$4.00 per connection and the new contract provides for \$5.00 per connection. The equipment charges have been increased as well. Overall the rate increase would be about \$1,400 per month. No action was taken.

12. 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 7,723 gallons. Total water receivables for the month of March was \$35,859. The water use is increasing due to the irrigation systems being turned back on. The delinquencies for March are as follows: six letters were mailed out, two door tags were hung and there were no disconnects.

Mrs. Hester reported on the water quality monitoring. All levels look good. The water accountability is at 92.4%. The wastewater plant is operating at 48% capacity and is in full compliance. The rain event on March 19<sup>th</sup> produced 3" of rain and the flows into the plant did not increase much, which shows the District's system is tight. The average flow is 24,000 gallons per month or 85 gallons per day per connection.

Mrs. Hester reported on a grinder station failure on Katy Cove. There was also discussion of a sewer backup on Katy Cove, which was caused from rocks and debris. The backup was located on the District's side of the line. Mrs. Hester will review the insurance policies on supplemental insurance for sewer backups. There was also discussion of the inspection process on new service lines.

Mrs. Hester then discussed maintenance around the District ponds. There are three wet ponds and one sand filtration pond. A vendor that specializes in aquatic life will need to be hired for the vegetation requirements. Currently, the grass is high around the ponds and needs attention. Mrs. Hester will obtain a proposal for the work pertaining to the aquatics and bring it back to the next board meeting. A local landscaper will charge \$1,900 to mow around the ponds. One mow will occur in the spring and the other in the fall. Mike Moyer advised that the HOA uses Perfect Cuts for landscaping matters. After discussion, the Board agreed to allow the landscaper to do a one-time mow. Mrs. Hester will obtain a written proposal from Zane Furr and Perfect Cuts for the next meeting.

### 13. 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 tax collection. The District is 98% collected. The budget is running about \$60,000 ahead of plan. 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.

### 14. NEW DIRECTOR ORIENTATION

Attorney Bill Flickinger advised that resident director Dennis Daniel will be sworn into office at next month's meeting. Mr. Flickinger discussed having a director orientation in our office and invited any other directors to attend if they wish to do so. Mr. Daniel advised that he would like to tour the wastewater plant.

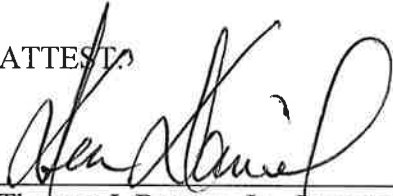
15. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President  
Reunion Ranch WCID

ATTEST:



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

[SEAL]

