

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 April 18, 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
Thomas J. Rogers, Jr. - 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, Michael Slack with Taylor Morrison, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt and Kristi Hester with ST.

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 President Nathan Neese and seconded by George Sykes to approve the March 21, 2017 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

Developer Michael Slack reported there have been 213 lots/homes sold to date. The breakdown is as follows: 42 60' lots, 93 70' lots, 27 80' lots and 51 90' lots have been sold. The average sales price in the District is \$501,792.

Mr. Slack apologized for not bringing the updated plat of the District as requested by Bubba Sykes at the last meeting. He will provide them a map via e-mail. Mr. Slack went over all the new phases in the District.

Phase 3, Section 1 consists of 37 60' lots. The contractor has laid the base and is now doing the subgrade. Most of the utilities are finished and the streets will be next.

Phase 2, Section 5 consists of 25 80' lots. The dry utilities are going in and the pond work is being done.

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 Dennis Lozano discussed his report as included in the agenda package. Pertaining to the District facilities, Mr. Lozano stated that construction of Phases 2-5 and 3-1 are nearly complete and his office will continue to inspect the water, wastewater and drainage facilities on behalf of the District.

After discussion at last month's meeting on compliance with the Edwards Aquifer rules, and further review, the District is in compliance with the testing of the wastewater lines. The required testing will occur in 2020 so Mr. Lozano recommend deferral of the preparation of the compliance plan.

Mr. Lozano also included the wastewater flow projection chart in his report. The chart shows that a new plant will be needed in 2022.

Mr. Lozano reported on the status of the major amendment. They are getting close to filing it with the TCEQ.

7. PROPOSAL ON INSPECTION OF WASTEWATER LINES

This item is no longer needed and can be removed from the agenda.

8. ENGINEERING PROPOSAL FOR INSPECTION OF WASTEWATER LINES

This item is no longer needed and can be removed from the agenda.

9. 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 billing summary. The total number of billed accounts is 225. The total number of gallons consumed is 2,070,000 with the average monthly consumption of 7,600 gallons. Mrs. Hester went over the collection report. There were nine delinquent letters mailed, one door tag hung and one disconnect for non-payment. The delinquent account that was discussed at last month's meeting was in fact disconnected. Once the service was disconnected, the owner paid half of the balance and the service was reconnected. The remaining balance is due on April 19th. If that amount is not paid, then service will be disconnected again.

The water quality report looks good. Mrs. Hester believes the current water loss is due to flushing of the lines. The numbers appear to be off.

Everything is in compliance at the wastewater plant. The plant is running at 36% capacity.

Mrs. Hester presented a residential meter for review. The meters have malfunctioned due to grit being pushed through the line and into the meter. To date, there have been six meters that have malfunctioned. Engineer Dennis Lozano studied the meter in detail. Mrs. Hester recommends doing a valve survey and fire hydrant flush to push all the debris out of the lines. The meter malfunction is not overcharging, but undercharging the customers, as the meter stops turning due to the grit. There was discussion of the process when a meter is set by ST. The lines are flushed for about 15 minutes to be sure all debris is flushed out. Mrs. Hester believes the main lines need to be flushed as well. Develop Michael Slack needs to know the address of all six failures. Mrs. Hester will provide that information to him.

The HOA recreation center had a major water leak that may have gone into the floor drain. They provided the repair information to ST. The HOA's consumption in January was 272,000 gallons and in February it was 512,000. ST is recommending adjusting the rate to the first-tier charge, which would result in a credit of \$8,287 on the water bill. After discussion, motion was made by Bubba Sykes and seconded by Tom Rogers to approve the adjustment to the HOA's water bill. The motion carried unanimously.

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

- a. Updated bank signature cards

Bookkeeper Allen Douthitt presented and discussed the financials with the Board. Today's consideration will include the invoices, per diems and fund transfer to the bookkeeper's account. Due to the additional connections, the District is running ahead of plan by approximately \$100,000. Mr. Douthitt presented updated bank signature cards due to the appointment of Dan Pawlik and Tom Rogers to the Board. After discussion, motion was made by Vince Terracina and seconded by President Nathan Neese to approve the payment of the invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

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

Engineer Dennis Lozano reported that he is working on the bond application and obtaining information from Taylor Morrison. The application will be submitted to the TCEQ the first week of May.

12. 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

Engineer Dennis Lozano reported that he and Bond Attorney Clayton Chandler reviewed the Resolution and have no comments. The available surplus funds are also included in the Resolution. The surplus funds are from both the 1st and 2nd bond issues. President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Tom Rogers to adopt the Resolution Authorizing the 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 as presented. The motion carried unanimously.

13. ORDER ESTABLISHING RECORDS MANAGEMENT PROGRAM AND DESIGNATING RECORDS MANAGEMENT OFFICER

Attorney Bill Flickinger advised that the District needs to have a records management program in place as it is a statutory requirement. The standard records retention schedules have been obtained from the Texas Library and Archives Commission. The Records Management Officer will be the Board Secretary. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to adopt the Order Establishing Records Management Program and Designating Records Management Officer as presented. The motion carried unanimously. The documents will be sent to the Texas Library and Archives Commission for filing.

14. 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 and change order:

Pay Estimate No. 4 in the amount of \$193,187.07 in connection with Reunion Ranch Phase 2, Section 5 submitted by Cornerstone Site Services; and

Pay Estimate No. 5 in the amount of \$587,367.00 in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP; and

Change Order No. 2 in the amount of \$1,962.00 in connection in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP. This work was needed to repair a void in the sewer line.


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.

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

Developer Michael Slack advised that the next phase of development should begin in September or October. That phase will consist of 60' lots.


16. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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

[SEAL]

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