

MINUTES OF SPECIAL MEETING
OF
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on April 25, 2012, 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 Vince Terracina, Michael Lindley, Bubba Sykes and Joseph Kozusko, thus constituting a quorum. Carl Williams was absent.

Also present at the meeting were Adib Khoury, Frank Krasovec, Mike Willatt, Jeniffer Concienne, Robin Melvin, Todd Janssen, David Bosco, Nathan Neese, Mary Bott, Allen Douthitt and George Murfee.

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. Motion was made by President Vince Terracina and seconded by Michael Lindley to approve the minutes of the March 1, 2012 meeting as presented. The motion carried unanimously.

5. ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE AND CANCELLING ELECTION

Jeniffer Concienne reported that the election to be held on May 12, 2012 has been cancelled due to no contest. Therefore, Vince Terracina and George Sykes are declared elected to office. Secretary George Sykes executed the Secretary's Certificate certifying that the two (2) candidates are unopposed. On or after May 21, 2012, the President will provide a Certificate of Election to Vince and George and make their sworn statement and take their oath of office. Motion was made by President Vince Terracina and seconded by George Sykes to adopt the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election as presented. The motion carried

unanimously.

6. ACCEPT RESIGNATIONS OF THREE DIRECTORS AND APPOINT REPLACEMENT DIRECTORS

There was discussion regarding the fact that Taylor Morrison has now come on Board with the project and three current directors will be resigning and three new directors will be appointed. Motion was made President Vince Terracina and seconded by Michael Lindley to accept Joseph Kozusko's resignation. The motion carried unanimously. Motion was then made by George Sykes and seconded by Michael Lindley to appoint Todd Janssen to fill the unexpired term of Joseph Kozusko. The motion carried unanimously. Motion was made President Vince Terracina and seconded by George Sykes to accept Michael Lindley's resignation. The motion carried unanimously. Motion was then made by George Sykes and seconded by President Vince Terracina to appoint Nathan Neese to fill the unexpired term of Michael Lindley. The motion carried unanimously. Motion was made President Vince Terracina and seconded by George Sykes to accept Carl Williams' resignation. The motion carried unanimously. Motion was then made by President Vince Terracina and seconded by George Sykes to appoint David Bosco to fill the unexpired term of Carl Williams once David Bosco has qualified becoming a landowner within the District. The motion carried unanimously. The newly appointed directors made their sworn statement and took their oaths of office.

7. ELECTION OF OFFICERS

Jeniffer Concienne reported that election of officers must be conducted due to the recent resignations and new appointments. Nathan Neese nominated Todd Janssen as President. Nominations ceased and motion was made by Nathan Neese and seconded by George Sykes to appoint Todd Janssen as President. The motion carried unanimously. Todd Janssen nominated Vince Terracina as Vice President. Nominations ceased and motion was made by George Sykes and seconded by Todd Janssen to appoint Vince Terracina as Vice President. The motion carried unanimously. Nathan Neese nominated David Bosco as Secretary. Nominations ceased and motion was made by Nathan Neese and seconded by Vince Terracina to appoint David Bosco as Secretary, once he has qualified by becoming a landowner within the District. The motion carried unanimously. Motion was then made by Vince Terracina and seconded by Todd Janssen to appoint George Sykes and Nathan Neese as Assistant Secretaries. The motion carried unanimously.

8. 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

Adib Khoury reported that they have purchased the first phase of the project. The construction plans and entitlements are approved and ready to go. The bid process has been started and the bid opening will be held on May 8th. The first phase will include approximately 60 lots. There are two wastewater treatment plants on site. The plants were bid separately to get a better price for construction. There was discussion regarding the bid process. Frank Krasovec inquired about the time frame for the completion of lots and the wastewater treatment plant. Mr. Khoury indicated about six months for the lots and possibly a year for the plant. It is possible that homes will be completed before the wastewater treatment plant is completed and if that occurs, pump and haul will be implemented.

9. 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

This item was not discussed.

10. ORDER CALLING PUBLIC HEARING ON PLAN OF TAXATION

Attorney Mike Willatt discussed the plan of taxation as provided by the Water Code. A public hearing must be held to receive public comment and determine the method of how the taxes will be levied, assessed and collected. The next meeting date will need to be determined soon so that the Notice of Hearing on Proposed Plan of Taxation can be published in the newspaper. After discussion, motion was made by Vince Terracina and seconded by Nathan Neese to adopt the Order Calling Public Hearing on Plan of Taxation as presented. The motion carried unanimously.

11. BOND REIMBURSEMENT AGREEMENT WITH CURRENT DEVELOPER

Attorney Mike Willatt discussed the previous Utility Construction Agreement between the District and Pine Valley Reunion Ranch, L.P. and the fact that Taylor Morrison has requested that it have its own bond reimbursement agreement. Attorney Robin Melvin, which is the attorney for Taylor Morrison discussed the Utility Construction Agreement as included in the agenda package for consideration. The District is agreeing to purchase the facilities from Taylor Morrison when the bonds can pay for those costs. Ms. Melvin stated that the District shall not be obligated to issue bonds in increments of less than \$1,000,000, except for the last issue. The agreement also caps the

District's tax rate at \$.90 per \$100 of assessed valuation. Ms. Melvin discussed the recent changes to the agreement, including the fact that the LCRA contracts have been assigned to the West Travis County PUA. Frank Krasovec inquired about the timing of the first bond issue. Adib Khoury indicated that it will probably be about three years before the first bond issue occurs. After discussion, motion was made by George Sykes and seconded by Nathan Neese to approve the Utility Construction Agreement between the District and Taylor Morrison of Texas, Inc. and authorize the President to execute the Agreement and the Secretary to attest to the Agreement as presented. The motion carried unanimously.

12. TERMINATION OF CONTRACT WITH CURRENT DISTRICT ENGINEER AND APPOINTMENT OF NEW DISTRICT ENGINEER

Attorney Mike Willatt reported that Taylor Morrison is asking the District to terminate the engineering contract with Urban Design Group and engage the services of Murfee Engineering Company, Inc. Mr. Willatt discussed the resolution as included in the agenda package. Mr. Willatt will provide notice to Urban Design Group of the termination. Adib Khoury stated that he has spoken with John Noell on this matter and he is aware of the termination. Motion was made by Nathan Neese and seconded by President Todd Janssen to adopt the Resolution Terminating Professional Services Agreement with Urban Design Group as the District's engineer and accept and approve the Engineering Services Agreement between the District and Murfee Engineering Company, Inc. as presented, effective thirty days after Urban Design Group has received its notice of termination. The motion carried unanimously.

George Murfee disclosed to the Board that his company also represents the West Travis County PUA.

13. APPOINTMENT OF DISTRICT BOOKKEEPER

Attorney Mike Willatt stated that Bott & Douthitt is the dominate bookkeeping services company for MUDs. They are highly recommended. Adib Khoury stated that their initial fees are reasonable. Motion was made by President Todd Janssen and seconded by George Sykes to approve and accept the Bookkeeping Services Agreement between the District and Bott & Douthitt as presented. The motion carried unanimously. Mary Bott thanked the Board and looks forward to working with them.

14. APPOINTMENT OF INVESTMENT OFFICER

Attorney Mike Willatt stated that the investment officer is required to attend training. The District's bookkeeper takes that training and it would be advisable to appoint Bott & Douthitt as the investment officers. Motion was made by George Sykes and seconded by President Todd Janssen to adopt the Resolution Appointing Investment Officer as presented. The motion carried unanimously.

15. ADJOURN

The meeting was adjourned.



~~Todd Janssen, President~~ Vince Terracina, VP
Reunion Ranch WCID

ATTEST:



David J. Bosco, Jr., Secretary
Reunion Ranch WCID

