

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 May 15, 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  
George “Bubba” Sykes – Assistant Secretary

thus, constituting a quorum. Secretary Dan Pawlik was absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Jessica Benson with Bott & Douthitt, Kristi Hester with InfraMark, LLC, Mike Moyer with Taylor Morrison and resident Dennis Daniel (who was sworn in as a director later in the meeting).

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 Bubba Sykes to approve the April 17, 2018 meeting Minutes as presented. The motion carried unanimously.

5. STATEMENTS OF ELECTED OFFICERS, OATHS OF OFFICE AND CERTIFICATES OF ELECTION

Attorney Bill Flickinger reported that Nathan Neese, Dennis Daniel and Tom Rogers were elected to office. Jeniffer Concienne swore in Nathan Neese and Dennis Daniel into office as directors each for a four-year term. President Nathan Neese provided the Certificates of Election. Dennis Daniel participated in the remainder of the meeting as a director. Tom Rogers will be sworn in at a later time.

6. ELECTION OF OFFICERS

Attorney Bill Flickinger stated that it is required to elect officers after each election. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to elect the same officers as currently held and elect Dennis Daniel as Assistant Secretary. The motion carried unanimously.

7. 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. 277 homes have been sold to date. The District is averaging four sales a month. The average appraised value within the District is \$505,490.

Mr. Moyer reported that Phase 3 Section 2 is under development. That section will contain 52 60' lots and should be paved in June. 32 lots in Section 5 have been delivered to sales. Phase 2 Section 4 will contain 22 80' lots. The curbs in that section are being constructed today and paving should occur in June as well. Phase 3 Section 3 is in the design process. 56 lots will be included in that section. The plans have been sent to the City and construction should begin in January 2019. Construction should last approximately eight months.

Director Dennis Daniel inquired about the public notice sign in Phase 3 Section 3.

8. 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. 6 in the amount of \$46,685.58 in connection with Reunion Ranch Phase 2, Section 4 submitted by Central Road and Utility, Ltd.; and

Change Order No. 2 in the amount of \$4,575.00 in connection with Reunion Ranch Phase 3, Section 2 and Phase 3, Section 5 submitted by JKB Construction Company, LLC.

After discussion, Motion was made by President Nathan Neese and seconded by Vince Terracina to approve payment of the foregoing pay estimate as presented. The motion carried unanimously. Motion was then made by President Nathan Neese and seconded by Vince Terracina to approve the foregoing change order as presented. The motion carried unanimously.

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

This item is a standing item and no discussion was had.

10. 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 apologized for not having a written report this month. He was experiencing some computer problems. Mr. Lozano reported that his office is observing the ongoing construction within the District and all is proceeding on schedule. Mr. Lozano discussed the progress on the major amendment permit. His office responded to the initial comments and it is moving forward.

11. 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

Engineer Dennis Lozano presented the draft bond application for review and comment. He explained that the report is very close to being finalized. The application also includes the surplus bond proceeds. The bond application should be submitted to the TCEQ within 30 days. Reimbursement from this issue will include amounts left on Phase 2 Sections 2 & 3 and the lift station. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve the 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. The motion carried unanimously.

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

This item was discussed above.

### 13. TRAIL SYSTEM WITHIN THE DISTRICT

Director Dennis Daniel inquired about where the HOA and District have responsibility on trails. Mike Moyer advised that typically the trails and open spaces are deeded over to the HOA. Mr. Moyer will generate an updated trail map and impose the open spaces and lots over the trails and will also include the ownership of the areas.

### 14. MAP OF THE DISTRICT/HOA PROPERTY

There was discussion of an updated map of the District. There was also discussion about future annexation. If the HOA deeds land to the District and then the District gets annexed, that property will become public, including the amenity center. That does not appear to be beneficial to the residents.

### 15. TLAP IRRIGATION MANAGEMENT PLAN

### 16. AMENDMENT TO INFRAMARK CONTRACT

Items 15 and 16 were discussed together. Initially, the amendment to the InfraMark contract was to deal with the reference to the TLAP irrigation management plan. Manager Kristi Hester discussed all the changes and updated pricing in the proposed management contract. There have been no updates to the contract since 2012. If approved, the contract would be effective today. After review and discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the First Amended Professional Services Agreement between the District and InfraMark as presented in the last red-lined version. The motion carried unanimously.

The rate order will be placed on the next agenda to be sure that all the inspections fees are covered under this new contract.

### 17. 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. Pond Maintenance
- K. Landscaping

Manager Kristi Hester discussed the manager's report as included in the agenda package. There is a total of 288 connections, 279 of which are residential. The average monthly water consumption for residential use is 13,233 gallons. Total water receivables for the month of April was \$45,676. Mrs. Hester reiterated that the water use is increasing due to the irrigation systems

being turned back on. The delinquencies for April are as follows: five letters were mailed out, two door tags were hung and there was one disconnect for non-payment. Mrs. Hester reported that account was paid the same day and water service was restored.

Mrs. Hester reported on the water quality monitoring. All levels are trending well. The water accountability is at 91.1%. Director Dennis Daniel asked where does the loss come from. Mrs. Hester explained that it is difficult to track at times and once it continues to drop over a couple of months, then they will trigger a survey of the water system. Sometimes the loss is just a timing issue, but that is not usually the case. InfraMark will start with night testing and then later do acoustic testing. That type of acoustic testing runs about \$5,000 to \$7,000. Engineer Dennis Lozano reported on flushing the valves and how that water is estimated and not measured, which could account for some of the loss.

The wastewater plant is operating at 52% capacity and is in full compliance. Mrs. Hester reported that the misters at the plant have been activated. Mr. Lozano advised that if odor is still present, the solution can be increased. In regard to maintenance, Mrs. Hester stated that there were some electrical repairs done at the lift station.

The annual Drinking Water Quality Report was presented to the Board. The report was completed and no compliance issues were noted. The report will be mailed to all residents with the next water bill.

18. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 17 ABOVE

Manager Kristi Hester discussed the landscaping and maintenance of the ponds within the District.

Zane Furr is the current landscaper within the District. Perfect Cuts, who is the HOA's landscaper toured the District and provided a higher proposal than Zane Furr. The landscaping will include four ponds, two lift stations, the wastewater treatment plant area, drip irrigation and drainage fields. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Dennis Daniel to authorize the District's manager and attorneys to finalize a landscaping contract with Zane Furr for twelve cuts per year at \$1,780 per month. The motion carried unanimously.

Mrs. Hester then discussed the pond maintenance. Aquatic Features submitted a proposal for maintenance to three wet ponds and to manage aquatic life in the ponds. The proposal includes two site visits per month at a cost of \$550 per month plus chemicals. The annual chemical budget is estimated to be \$2,800. After discussion, motion was made by Vince Terracina and seconded by President Nathan Neese to authorize the District's manager and attorneys to finalize the proposal with Aquatic Features for maintenance of the ponds. The motion carried unanimously.

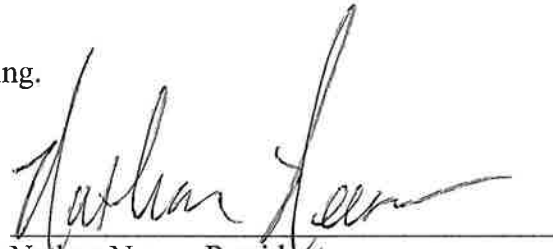
The upcoming budget will include separate line items for drainage and pond maintenance.

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


Bookkeeper Jessica Benson presented and discussed the updated cash activity report with the Board. Today's consideration will include payment of vendor invoices and per diems and the Quarterly Investment Report. Per diems for Dan Pawlik and Tom Rogers will be voided due to their absence. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by President Nathan Neese and seconded by Bubba Sykes to approve payment of the vendor invoices and per diems as discussed. The motion carried unanimously. Motion was then made by Vince Terracina and seconded by President Nathan Neese to approve the Quarterly Investment Report as presented. The motion carried unanimously.

20. ADJOURN

President Nathan Neese adjourned the meeting.

  
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Nathan Neese, President  
Reunion Ranch WCID

ATTEST:

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

[SEAL]

