

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 21, 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
George "Bubba" Sykes – Assistant Secretary
Dennis Daniel – Assistant Secretary

thus, constituting a quorum. Vice President Vince Terracina and Secretary Tom Rogers were absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, Jesse Kennis with InfraMark, LLC, Mike Moyer with Taylor Morrison, Dennis Lozano with Murfee Engineering and Frank Krasovec with Norwood Investments.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

Motion was made by Bubba Sykes and seconded by President Nathan Neese to approve the April 16, 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

Mike Moyer reported that 357 homes have been sold to date. The average appraised value within the District is \$511,457. Sales continue to stay strong. Mr. Moyer also reported that Phase 3, Section 3 will consist of 81 lots. Paving is scheduled for mid-July.

Frank Krasovec reported that he has sold 10 homes to date in his private section.

6. APPROVAL OF CONSTRUCTION PLANS AND PAY ESTIMATES, CHANGE ORDERS AND ACCEPTANCES OF COMPLETION WITH RESPECT TO CONSTRUCTION CONTRACTS

Mike Moyer discussed and recommended approval of the following application for payment for Phase 3 Section 3:

Application for Payment No. 5 submitted by JL Gray Construction, Inc. for Reunion Ranch Phase 3 Section 3 Utilities in the amount of \$143,479.71.

After discussion, motion was made by President Nathan Neese and seconded by Bubba Sykes to approve Application for Payment No. 5 as presented. 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 Dennis Lozano discussed the engineer's report with the Board.

Mr. Lozano advised that that the TLAP Major Amendment has been finalized and issued by the TCEQ. The TCEQ noted a few required follow-up items, such as, a soil water monitoring plan, update to the springs/seeps monitoring plan and an irrigation system management plan. The

last item the TCEQ requested is that the District apply to cancel the Plant B permit, which he will discuss below.

The bond application is 99.5% complete. Consideration of the bond resolution will be discussed below.

Mr. Lozano reported that there is no change in the wastewater flow projections.

9. WASTEWATER TREATMENT PLANT B; PERMIT RENEWAL #WQ001440002

Engineer Dennis Lozano reported that due to the issuance of the amended TLAP, the Plant B permit renewal can be cancelled. Motion was made by Dennis Daniel and seconded by President Nathan Neese to withdraw the Plant B application from the TCEQ and cancel the permit. The motion carried unanimously.

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

Engineer Dennis Lozano reported on the Resolution Authorizing Application to the TCEQ for the District's next bond issue. The issue is in the amount of \$5,000,000. Mr. Lozano would like to have the application filed next week. After discussion, motion was made by President Nathan Neese and seconded by Bubba Sykes to approve the Resolution Authorizing Application to the TCEQ for Approval of Engineering Project and \$5,000,000 Reunion Ranch Water Control and Improvement District Bond Issue with the inclusion of the amount of surplus funds. The motion carried unanimously. Once the TCEQ declares the application as administratively complete, he will request an in-person meeting so that the application will stay on track.

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

Engineer Dennis Lozano reported that he is still working on the cost estimates for the wastewater plant expansion. As the Board is aware, there are TSS and odor control issues that need to be worked through. Mr. Lozano would like to have all the components in place by next summer. He will keep working on this and provide more detailed information at next month's meeting.

Manager Jesse Kennis discussed a solids management plan. Right now, they are pumping and hauling five days a week. Pump and haul is costing approximately \$9,000 a month. There

was discussion of renting a holding tank to cut down on the pumping and hauling. Even with a holding tank, there will be expenses for one haul, the rental of the tank and chemicals. After discussion, motion was made by Bubba Sykes and seconded by Dennis Daniel to authorize Inframark to rent a holding tank from month to month and have an odor control system in place, not to exceed \$9,000 per month. The motion carried unanimously. The holding tank will be located behind the fence at the wastewater plant. This will be temporary until the expansion is complete. Also, there was discussion of who should pay for the expansion, the District or Taylor Morrison.

13. COMMITTEE REPORTS

- a. Trail/Map/Ownership committee
- b. PUA rate committee

President Nathan Neese discussed the recent committee meeting on ownership within the District. The committee recommends that the District own all areas except for the amenity center and park area on the east side. The District should also enter into a Maintenance Agreement with the HOA on the landscaping. Mike Moyer advised that his office is reviewing the governing documents to be sure no conflicts exist.

There was discussion with Frank Krasovec on what he plans to do with his private section and the pond. He might want to consider deeding the pond to the District and conveying everything else to the HOA. Mr. Krasovec's private section 39 lots on 53 acres. Mr. Krasovec will think about all the details and get back with the Board.

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

On future agendas, Items 13 and 14 will be combined.

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 Jesse Kennis discussed the Executive Summary.

There is a total of 346 residential connections. The average monthly water consumption for residential use is 5.7 million gallons. Mr. Kennis reported that the chlorine residuals and bacteriological samples are satisfactory. The water loss for the month is 3.75%.

The delinquencies for April are as follows: 13 letters were mailed out, 8 door tags were hung and there were no disconnects.

Mr. Kennis reported that the wastewater plant is operating at 66% capacity and is in full compliance. The TCEQ has scheduled an inspection of the wastewater plant for May 28th. The last couple of days, Inframark has been conducting a pre-inspection of the plant. They found a few leaks in some tubing and other areas. They also found some ponding of water, which may be coming from the creek. Mr. Kennis will continue to look into this matter.

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

This item was not discussed.

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 three fund transfers. The per diems for Vince Terracina and Tom Rogers will be voided due to their absence. The District's budget is \$17,000 ahead of plan due to the sludge hauling. After discussion, motion was made by President Nathan Neese and seconded by Dennis Daniel 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 advised that May 27th is the end of the legislative session. Once that occurs, the bills will be reviewed and reported on at the next board meeting.

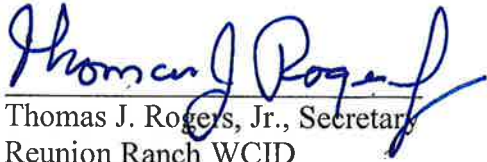
19. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:


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

