

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The regular meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on June 16, 2015, 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 Nathan Neese, Vince Terracina, David Bosco and Bubba Sykes, thus constituting a quorum. Joel DeSpain was absent.

Also present at the meeting were Michael Slack, Dennis Lozano, Mike Willatt, Bill Flickinger, Mary Bott, Kristi Hester, Frank Krasovec and Jeniffer Concienne.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by David Bosco and seconded by Vince Terracina to approve the minutes of the May 19, 2015 meeting 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 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

Michael Slack reported on the sales within the District. There have been 106 homes sold. 62 of those homes were on 70' lots and the other 44 were on 90' lots. The average sales price of homes within the District is \$489,000+. Mr. Slack stated that the amenity center is now open. The bridge has now been completed as well. Phase 2, Section 2A will contain 140 lots. The utilities

have been installed and the curb and gutters on the street. It is scheduled to be paved next week. Section 2B will contain 39 lots and that work will begin soon with a completion in October/November. Frank Krasovec asked if marketing has started in the new section. Mr. Slack said that two 60' lots have been sold but that they are just getting started. This section is located above the creek. Mr. Krasovec also asked about the time frame for the custom lots. Mr. Slack also stated that in regards to the lift station, it is time to build phase 2 or expand the existing one. Engineer Dennis Lozano stated that Excel should be submitting a revised schedule soon.

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 reported that he has been watching the wastewater flows and even with the heavy rains, which impacts the flow, the flow is still below the planning number. Michael Slack asked if the drip can be reduced and Mr. Lozano stated that it can as long as the District does not violate the permit capacity. Mr. Lozano said that once we get closer to construction of the lift station, he will look at it in further detail. In regards to the Drought Contingency Plan, the District mirrors the LCRA plan and the District can now go to twice per week water. Mr. Lozano discussed the prorata curtailment. He drafted a letter to the LCRA and will be submitting it soon. He received a verbal ok from the staff and it should be achievable if in fact it needs to be done.

7. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 1ST BOND ISSUE

Engineer Dennis Lozano said that they are still waiting on comments from the TCEQ. If he has not received comments by July, he will call and check on it. Bubba Sykes would like the District's Financial Advisor, Garry Kimball to attend the next board meeting to discuss the bonds. Mr. Lozano will relay that to Mr. Kimball.

8. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution and Collection System

Manager Kristi Hester reported on the operations and maintenance of the District. As reported by Engineer Dennis Lozano, Mrs. Hester also recommends considering twice per week watering and lifting the surcharge as well. The PUA already lifted its surcharge. Attorney Bill Flickinger recommended the Board take action on that. Motion was made by President Nathan Neese and seconded by Vince Terracina to go to twice per week watering and lifting the surcharge.

The motion carried unanimously. Mrs. Hester said that the water revenue can be looked at during budget time to be sure all is being covered. The District incurred a 7% water loss. There were 103 water connections and 100 wastewater connections. The wastewater treatment plant is running at 20% capacity. Mrs. Hester reported on an issue with the internal connection at the plant, which runs the SCADA system. AT&T will be out there today to fix the problem. There was discussion of grinder pumps within the District. Attorney Bill Flickinger said that there is a service agreement in place for the grinder pumps. The resident owns the grinder pump but that the District can access it and maintain it. No easements are needed to accomplish the maintenance. Mrs. Hester stated that there are three grinder pumps in the District. David Bosco asked what happens if there is a backup and who is responsible. Mrs. Hester stated that they do an annual visual inspection and there is an alarm that sounds when failure occurs. If the owner puts something in there that is not allowed, then it is their fault. Mr. Flickinger stated that the District has governmental immunity.

9. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENTS OF BILLS

Mary Bott discussed the financials with the Board and presented an updated cash activity report. Mrs. Bott will void the per diem for Joel DeSpain due to his absence. For today's consideration, there are the per diems, invoices and fund transfer to the bookkeeper's account. Mrs. Bott reported that there is \$2,000 delinquent in regards to the District's taxes. Bubba Sykes asked if there was any information available on the delinquent tax account. Mrs. Bott said she would check on it. Attorney Bill Flickinger advised that the District has the authority to cut off the water if the taxes are not paid after six months. After discussion, motion was made by Vince Terracina and seconded by Bubba Sykes to approve payment of the per diems, invoices and fund transfer to the bookkeeper's account as presented. The motion carried unanimously.

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

Michael Slack and Engineer Dennis Lozano reported on and recommended the following pay estimate:


Pay Estimate No. 6 in the amount of \$562,207.52 in connection with Reunion Ranch 2-2A Utilities submitted by DeNucci Constructors, LLC. After discussion, motion was made by President Nathan Neese and seconded by David Bosco to approve payment of the foregoing pay estimate as presented. The motion carried unanimously.

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

This is a standing item and there was no discussion.


12. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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

[SEAL]

