

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 17, 2014, 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 Joel DeSpain, thus constituting a quorum. Bubba Sykes was absent.

Also present at the meeting were Michael Slack, Dennis Lozano, Mike Willatt, Jeniffer Concienne, Mary Bott and Scott Manuel.

Jeniffer Concienne conducted the meeting.

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. President Nathan Neese entertained a motion for approval. Motion was made by David Bosco and seconded by Vince Terracina to approve the minutes of the May 20, 2014 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 development of the District. There were 67 sales to date,

being 36 of those on 70' lots and 31 on 90' lots. The average home price is in the range of \$491,011. Everything is going pretty well in the District. All development in Sections 1A, B & C is done and has been accepted by the County. The amenity center is progressing. Mr. Slack said that the designing and platting has begun on the next section across the creek. There was also discussion of the fact that the directors lot will need to be relocated. Attorney Robin Melvin is working on that project. The current directors lot is falling into some of the resident's lot at the rear property line.

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 they are marching through the TCEQ permitting process in connection with the wastewater treatment plant permit.

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

Engineer Dennis Lozano discussed their professional services agreement for the bond application. The Board authorized them to move forward at the last meeting, but he is now presenting a formal agreement. Joel DeSpain inquired about the process for submission to the TCEQ and the approvals. Mr. Lozano anticipates submitting the bond application to the TCEQ in August and then the TCEQ will review it, approve it, and then the bonds can be sold in the summer of 2015. After discussion, motion was made by President Nathan Neese and seconded by Joel DeSpain to approve the Agreement for the Provision of Limited Professional Services submitted by Murfee Engineering Co., Inc. in connection with the bond application for the District's 1st bond issue. The motion carried unanimously.

8. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed the report as included in the agenda package. There was a 3% water loss this cycle. Mr. Manuel reported that there are 63 water connections and 60 wastewater connections. The storm that came through the area on Thursday, knocked out power at the plant. There were no problems reported. President Nathan Neese asked if there was a back-up generator and Mr. Manuel stated there was not. Engineer Dennis Lozano indicated that there needs to be a power hook-up for temporary use and he recommends installing one. Mr. Lozano can add that cost into the expansion project. Michael Slack stated that the plant can go about 4 or 5 days without power at full build out.

9. DISTRICT'S RATE ORDER

Michael Slack would like the Board to consider a water rate increase due to the 20% surcharge that the PUA has recently implemented. After discussion, motion was made by Joel DeSpain and seconded by Vince Terracina to approve an automatic increase to the water rates due to the PUA increase on the volumetric surcharge without additional board action. The motion carried unanimously. Scott Manuel will contact the billing department to make the adjustment. Michael Slack asked that Mr. Manuel send a notice to the customers which includes a copy of the PUA notice. Mr. Manuel will prepare the notice and send it to Michael Slack for review and approval before actually sending it to the customers.

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

Mary Bott discussed the financials as included in the agenda package, along with the updated cash activity report. Ms. Bott will void the per diem check for Bubba Sykes due to his absence. Ms. Bott reiterated that the District has sufficient collateral on hand in connection with the District's funds. There was discussion of the budget. The District is running at a \$5,000 positive variance. After discussion, motion was made by Vince Terracina and seconded by Joel DeSpain to approve payment of the per diems, invoices and transfer to the bookkeeper's account as presented. The motion carried unanimously.

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

Michael Slack discussed and recommended approval of the following pay estimate:

Pay Estimate No. 6W (Revised Retainage) in the amount of \$29,616.70 in connection with the Reunion Ranch Phase 1C - Water, Wastewater and Drainage Improvements submitted by DNT Construction.

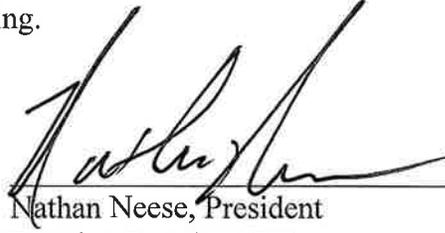
After discussion, motion was made by President Nathan Neese and seconded by David Bosco to approve the pay estimate as presented. The motion carried unanimously.

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

Michael Slack reported that they will be bidding the next section in late July or August. No action is needed at this time.

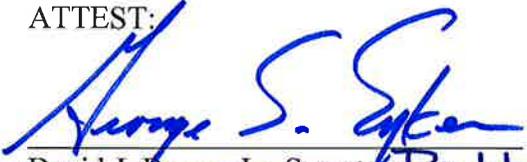
13. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



~~David J. Bosco, Jr., Secretary~~ Bubba Sykes
Reunion Ranch WCID

[SEAL]