

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 June 18, 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
Vince Terracina – Vice President
Tom Rogers - Secretary

thus, constituting a quorum. George “Bubba” Sykes and Dennis Daniel 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, George Murfee 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 Vince Terracina and seconded by President Nathan Neese to approve the May 21, 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 363 homes have been sold to date. The average appraised value within the District is \$511,939. Mr. Moyer also reported on the progress of Phase 3, Section 3. The contractor is still working on the sub-grade. There are a few county issues that are being worked through as well. Paving is still scheduled for mid to late July.

Frank Krasovec reiterated 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

This item was not discussed.

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 George Murfee discussed the wastewater treatment plant expansion funding comparison between the District and Taylor Morrison. The expansion will need to be completed no later than 2021. The buildout is approximately one year. Mr. Murfee discussed that direct funding by the District will result in a saving of \$254,000. However, direct funding by Taylor Morrison offers flexibility in the start date of construction, whereby if the District funds it, it will have to wait after a bond sale and closing. After discussion President Nathan advised that the Board will wait until next month to make a decision so that the full Board can discuss it.

Mr. Murfee discussed the Phase 1 improvements for the expansion. Mr. Moyer advised that Taylor Morrison is willing to fund the engineering costs for Phase 1.

Mr. Moyer also inquired about the costs for the irrigation conversation. He is aware that Director Dennis Daniel has asked for this information.

9. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 5TH BOND ISSUE

This item was not discussed.

10. COST ESTIMATE; PLANT EXPANSION EXPENSES FUNDED BY DEVELOPER THROUGH REIMBURSEMENT OR DISTRICT THROUGH ISSUANCE OF BONDS

This item was discussed above in the engineer's report.

11. WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

This item was not discussed.

12. COMMITTEE REPORTS

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

Mike Moyer advised that he sent the requested information to Bill Flickinger's office. He found no conflicts on his end and the appropriate areas can be conveyed to the HOA/District as needed. Frank Krasovec stated that his attorney Bill Bryant will call Bill Flickinger to discuss the appropriate conveyances within Frank's private section.

13. 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 351 residential connections. The average monthly water consumption for residential use is 5.3 million gallons. Mr. Kennis reported that the chlorine residuals and bacteriological samples are satisfactory. The water loss is up from last month to 5.9%.

The delinquencies for May are as follows: 6 letters were mailed out, 2 door tags were hung and there were no disconnects.

Mr. Kennis reported that the wastewater plant is operating at 74% capacity. The TCEQ conducted its inspection on the plant. There were a few areas in the drip fields that the inspector noted of concern. The inspector also found runoff from the amenity center. This will need to be diverted around the drip fields. Mr. Kennis will work with Engineer Dennis Lozano on a response and bring it back to the July board meeting for discussion.

Pursuant to the discussion at last month's meeting, a sludge box has been ordered. There is a 90-day lead time. The monthly cost will be approximately \$6,800.

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

This item was not discussed.

15. 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. The per diems for Dennis Daniel and Bubba Sykes will be voided due to their absence. The District's budget took a hit due to the sludge hauling costs. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve payment of the vendor invoices and per diems as presented. The motion carried unanimously.

16. PENDING STATE LEGISLATION

Attorney Bill Flickinger reported that there are several bills affecting the District. He will provide a detailed report at next month's meeting.

17. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:

Thomas J. Rogers Jr.

Thomas J. Rogers Jr., Secretary
Reunion Ranch WCID

