

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 20, 2017 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 Tom Rogers and Assistant Secretary Dan Pawlik were absent.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester with ST, Michael Slack with Taylor Morrison and Frank Krasovec with Norwood Investments.

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 May 16, 2017 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

Developer Michael Slack reported on the update for homebuilding within the District. The breakdown is as follows: 46 60' lots, 99 70' lots, 32 80' lots and 51 90' lots have been sold. The average sales price in the District is \$503,785.

Phase 2, Section 5 was paved last week. There is about 30-days left for clean up and then the section will be completed.

Phase 3, Section 1 is close to wrapping up.

There are several new sections at the City for approval. Those sections will include 60', 70' and 80' lots.

Frank Krasovec noted that he may have a contract on his 39 custom lots in the next month or so.

6. AMENDMENT TO ENGINEERING SERVICES AGREEMENT BETWEEN REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT AND MURFEE ENGINEERING COMPANY, INC.

Engineer Dennis Lozano discussed the desire to update their hourly rate schedule with the District. The current hourly rate schedule has been in place since 2012. The main purpose of updating the hourly rate schedule is to align the employee classifications with the current and future personnel plans of Murfee Engineering. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to approve the First Amendment to Engineering Services Agreement as presented. The motion carried unanimously.

7. 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 discussed his report as included in the agenda package. Construction of Phases 2-5 and 3-1 are nearly complete. The engineering plans for new Phases 2-4 and 3-2 are under review.

Mr. Lozano reported that the bond application has been declared administratively complete. Around the first of August, the final report should come out of the TCEQ. Mr. Lozano will request the pre-purchase inspection of the District from the TCEQ.

In regard to the wastewater flow chart, all is tracking well.

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
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints

Manager Kristi Hester reported on the Billing Summary. There were 233 accounts billed in May. That accounts for 67 more meters than this time last year. The average monthly residential water consumption is 13,696 gallons. Mrs. Hester reported that 13 delinquent letters were sent out, 7 door tags were hung and there was one disconnect for non-payment. That account has been paid and water service has been restored.

The water quality monitoring has an annual average of 1.27, which is good. The District has 98.6% water accountability. The wastewater plant is operating at 42% capacity. There was discussion of maintenance items, such as repairs to the drip fields. The fire hydrant and valve survey has been completed. There are a few minor repairs needed but nothing major.

Mrs. Hester also reported on an adjustment to a water bill due to a leak. The owner submitted all the repair documentation to ST. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to authorize the adjustment in the amount of \$534.50. The motion carried unanimously.

Mrs. Hester discussed the odor complaint at wastewater plant. The odor can be smelled at the amenity center. There was discussion of installing a deodorizing misting system at the plant. The misting system is pointed toward the headworks so there will be overspray. The misting system can be set up to run in the evening. There was also discussion of covering the headworks with a blower. After detailed discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to install the deodorizing misting system at the plant, not to exceed \$3,000. The motion carried unanimously. ST will coordinate with the District attorney on communication to the residents.

Attorney Bill Flickinger discussed the e-mail from the resident that previously attended the Board meeting due to high water consumption at her residence. In the e-mail, she thanked the Board and consultants for hearing her concerns and frustrations. After a few days of examining her water meter and past bills, it appears that she was not adjusting her irrigation system seasonally. The situation has been resolved and no further action is needed.

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

Bookkeeper Allen Douthitt presented and discussed the financials with the Board, including an updated Cash Activity Report. Mr. Douthitt will void the per diems for Tom Rogers and Dan Pawlik due to their absence. Today's consideration will include the invoices, per diems and a fund transfer. Due to service fee revenues, the District is running well ahead of budget. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve the payment of the invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

10. ANY ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 3RD BOND ISSUE

Engineer Dennis Lozano reported on this item in his Engineer's Report above.

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

Developer Michael Slack presented and recommended approval of the following pay estimate:

Pay Estimate No. 7 in the amount of \$16,512.30 in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP.

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

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


This was no discussion on this item.

13. ADJOURN

President Nathan Neese adjourned the meeting.


Nathan Neese, President
Reunion Ranch WCID

ATTEST:


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

