

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on July 10, 2013, 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 Vince Terracina, David Bosco, Bubba Sykes and Nathan Neese, thus constituting a quorum. President Todd Janssen was absent.

Also present at the meeting were Michael Slack, Mike Willatt, Jeniffer Concienne, Lisa Wald 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. Motion was made by David Bosco and seconded by Bubba Sykes to approve the minutes of the June 18, 2013 meeting as presented. The motion carried unanimously.

5. ACCEPT RESIGNATION OF TODD JANSSEN AND APPOINT REPLACEMENT TO FILL THE UNEXPIRED TERM OF OFFICE

This item was not discussed.

6. ELECTION OF OFFICERS

This item was not discussed.

7. 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 status of the first phase of construction, which has been essentially completed and paid for. The clean up of the creek has been done and is close to being accepted by the PUA. Phase 1B is under now development. The wastewater is being installed and paving should begin in October and be completed by November. Home sales have slowed down a bit. The average home price within the District is \$505,000. There have been 18 homes sold so far and the District has three residents.

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

Engineer George Murfee was not in attendance.

9. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed the Operations and Maintenance Report for water and wastewater as included in the agenda package. The master meter was down for a while but is now back up. There was a 1% water loss in June. Mr. Manuel reiterated that the wastewater treatment plant still has not been started yet because there is not enough flow. There are only three active customers within the District. Once the District has 12 to 15 customers, the TCEQ will consider it active and the water system will be activated. ST has conducted a several inspections to date.

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

Lisa Wald filled in for Mary Bott and discussed the financials and the updated cash activity report. Ms. Wald reported that the District is running ahead of budget due to the water taps and service revenues. After discussion, motion was made by Vice President Vince Terracina and seconded by Nathan Neese to approve payment of the per diems, invoices and fund 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 asked the Board to disregard the pay estimate that was included in the agenda package for the paving. That is not a reimbursable item and should not have been included. Mr. Slack discussed the other pay estimate as included in the package. After discussion, motion was made by Bubba Sykes and seconded by Nathan Neese to approve the following pay estimate and authorize Vice President Vince Terracina to execute same:

- Pay Estimate No. 1W in the amount of \$139,230.00 in connection with the Reunion Ranch Phase 1B - Water, Wastewater and Drainage submitted by DNT Construction

The motion carried unanimously.

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

This item was not discussed.

13. AMENDMENT OF WHOLESALE WATER CONTRACT WITH WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

Michael Slack stated to Lisa Wald that he had sent Mary Bott a schedule for payments to the PUA. That schedule will need to be reviewed for a budget analysis and will need to be sure the District's rates and meter fees are adequate.

Attorney Mike Willatt indicated that this amendment is why the Board met today. The deadline to have this amendment signed is July 11th. Mr. Willatt discussed the amendment with the Board. The District will pay the fixed cost as outlined on Schedule B of the amendment. The amounts start out low and increase with time. The volume cost basically equals the cost of service, which is a good deal. There was discussion of the amended raw water contract which has been submitted for an increase in LUEs. If the amended raw water contract gets approved, this agreement will possibly need to be amended again. Michael Slack and Mr. Willatt discussed the deed restriction requirements and certain landscaping matters as included in the raw water contract and original water services agreement. Scott Manuel will try to get a copy of Exhibit "G" to the original water services agreement. Taylor Morrison will need to abide by both sets of restrictions. After discussion, motion was made by Nathan Neese and seconded by David Bosco to authorize the Vice President to execute and the Secretary to attest to the First Amendment to Water Services Agreement by and between the West Travis County Public Utility Agency and the District as presented. The motion carried unanimously.

14. PREPAYMENT OF WEST TRAVIS COUNTY-PUA IMPACT FEES AND RECEIPT OF REIMBURSEMENTS FOR PHASES I, II AND III OF THE LCRA WATER LINE


There was discussion of reimbursement of amounts paid prior to March 31, 2013. Those amounts must be reimbursed or could be lost.

15. RESOLUTION REGARDING ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES

Jeniffer Conciencie stated that this item was a statutory requirement. The Government Code requires the Board to review its investment policy on an annual basis. Last year the policy was revised substantially due to recent legislation. This year, no changes are recommended. Attorney Mike Willatt indicated that the District is developer funded and there are no investments. After discussion, motion was made by Bubba Sykes and seconded by Vice President Vince Terracina to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.


16. ADJOURN

Vice President Vinca Terracina adjourned the meeting.



Vince Terracina, Vice President
Reunion Ranch WCID

ATTEST:



David J. Bosco, Secretary
Reunion Ranch WCID

