

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 July 19, 2016, 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 and Bubba Sykes, constituting a quorum. Secretary David Bosco and Assistant Secretary Joel DeSpain were absent.

Also present at the meeting were Michael Slack, Dennis Lozano, Bill Flickinger, Allen Douthitt, Kristi Hester, Mike Ehrhardt 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 Vince Terracina and seconded by President Nathan Neese to approve the minutes of the June 21, 2016 meeting as presented. The motion carried unanimously.

5. ACCEPT RESIGNATION OF JOEL DESPAIN

Attorney Bill Flickinger advised that we received Joel DeSpain's resignation. Motion was made by Bubba Sykes and seconded by President Nathan Neese to accept his resignation effective today. The motion carried unanimously.

6. APPOINT DIRECTOR TO FILL UNEXPIRED TERM OF OFFICE FOR JOEL DESPAIN

Jeniffer Concienne reported that Mike Ehrhardt has been provided with a 1/6th interest in the director's lot and has submitted his Application for Appointment on the Board. President

Nathan Neese entertained a motion. Motion was made by Vince Terracina and seconded by Bubba Sykes to appoint Mike Ehrhardt to fill the unexpired term of office for Joel DeSpain. The motion carried unanimously.

Mrs. Concienne swore Mr. Ehrhardt into office.

7. ELECTION OF OFFICERS

Attorney Bill Flickinger stated that when there is a change on the Board, the Board must conduct an election of officers. After discussion, President Nathan Neese entertained a motion. Motion was made by Vince Terracina and seconded by Bubba Sykes to keep the officers the same and appoint Mike Ehrhardt as Assistant Secretary. The motion carried unanimously.

8. 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

Developer Michael Slack reported on the sales within the District. There have been a total of 164 homes sold to date. The breakdown is as follows: 21 homes sold on 60' lots, 81 sold on 70' lots, 12 sold on 80' lots and 59 sold on 90' lots. The average sales price of homes within the District is \$497,469.

Mr. Slack stated that they want a few more sales on the 60' lots before starting Phase 3, Section 1. This section will consist of 37 60' lots.

There was discussion of the draft wholesale water rates from the PUA. All of the rates are being increased. Mr. Slack wants to meet with the PUA on how they came up with these rates. Manager Kristi Hester will reach out to see if the PUA is having a general meeting on the rate calculation or individual meetings with each entity. Mr. Slack and President Nathan Neese will attend the meeting when scheduled. Mrs. Hester will send the water agreements to Mr. Neese for his review.

9. 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 on the status of the wastewater permit major amendment. He received a large amount of historical nitrogen data that he was previously unaware of. They are reviewing all the data to determine the best way to support the application prior to submission.

Mr. Lozano discussed the wastewater flow projections as included in the agenda package.

The District is in a good spot right now. Once the flow reaches 75% the expansion planning will need to begin. It looks like that will be around 2020. At 90% the process will need to begin.

The plans for Phase 3 Section 1 have been reviewed by Murfee Engineering.

10. RULEMAKING PROCEEDING AT TCEQ REQUESTED BY CITY OF AUSTIN TO AMEND TCEQ RULES IN 30 TAC CHAPTERS 222 AND 309 – REUSE OF TREATED WASTEWATER

Engineer Dennis Lozano stated that a stakeholder meeting is scheduled for August 9th at the TCEQ. He will attend and keep the Board posted. Attorney Bill Flickinger and Jeniffer Concienne will also attend that meeting. Mr. Flickinger indicated that it is important to show support for this rulemaking in regards to reuse of treated wastewater.

11. ANY OTHER ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 2ND BOND ISSUE

Engineer Dennis Lozano reported that the bond application was declared administratively complete by the TCEQ and is moving at a quick pace.

12. 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. Update TCEQ Disinfection Monthly Report

Manager Kristi Hester discussed her report as included in the agenda package. The District has 172 connections. The average consumption for residential is about 10,000 per month. All water bills have been paid and there are no disconnects. The water quality monitoring looks good. There is a 98.55% water accountability in June, which is great. Mrs. Hester discussed the wastewater flow chart. The plant is running at 32% capacity. The chlorine residual fell below the threshold one day for 30 minutes. Mrs. Hester stated that it was reported to the TCEQ as required.

Mrs. Hester discussed the maintenance fee charges. There is a possible water leak at 151 Denise Cove. A leak detector will do a sound test possible tomorrow. There is a possible irrigation leak at the wastewater plant as well.

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

Bookkeeper Allen Douthitt discussed the financials and presented an updated cash activity report. The District's bond payment from the first issue is due August 15th. The per diem for David Bosco will be voided due to his absence. For today's consideration, there are payments for per diems and invoices. Mr. Douthitt explained that at next month's meeting the Board will consider the budget and proposed tax rate. After discussion, motion was made by Vince Terracina and seconded by President Nathan Neese to approve payment of the per diems, invoices and bond payment as presented. The motion carried unanimously.

14. DROUGHT CONTINGENCY PLAN

Manager Kristi Hester and Engineer Dennis Lozano reported that there is no need to amend the Drought Contingency Plan and that this item can be removed from the agenda.

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

This item was not discussed.

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

This item was not discussed.

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

Attorney Bill Flickinger reported that it is required to review the District's investment policy on an annual basis. He indicated there are no revisions needed. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.


18. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



Mike Ehrhardt, Assistant Secretary
Reunion Ranch WCID

[SEAL]

