

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 21, 2015, 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, Bubba Sykes and Joel DeSpain, thus constituting a quorum. Secretary David Bosco was absent.

Also present at the meeting were Nancy Schroeder, Dennis Lozano, Mike Willatt, Bill Flickinger, Mary Bott, Kristi Hester 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 Bubba Sykes and seconded by Joel DeSpain to approve the minutes of the June 16, 2015 meeting as presented. The motion carried unanimously.

5. ANNUAL AUDIT ENGAGEMENT LETTER SUBMITTED BY MAXWELL,
 LOCKE & RITTER

Jeniffer Concienne reported that this item was not yet ready to be presented.

6. 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

Nancy Schroeder indicated that she is filling in for Michael Slack today. Ms. Schroeder reported on the sales within the District. There have been 109 homes sold to date. 1 home on a 60' lot, 64 homes on 70' lots and 44 were on 90' lots. The 60' lots just came available last month. The average sales price of homes within the District is \$489,819. Ms. Schroeder stated that the bridge and amenity center are complete and the playscape will be installed this week. The City and County have signed off on the boulevard project. Ms. Schroeder also discussed progress in Phase 2, Section 2 and Frank Krasovec's custom lots.

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

A. LCRA Firm Water Contract-Pro Rata Curtailment

Engineer Dennis Lozano reported on matters included in his engineer's report. The final walk-thru was conducted on Section 2-1 and everything looked good. Mr. Lozano reported on a drip field problem by the bridge. The revised schedule from Excel on the lift station will need to be revised again but that it should all be ok. In regards to the Curtailment Plan, including the growth projections, was submitted to the LCRA on July 9th. The LCRA has not yet commented on the plan. The issue is most likely moot until next year anyway. Mr. Lozano reported that the combined storage of Lakes Travis and Buchanan is 1.56-acre feet and rising.

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

Engineer Dennis Lozano reported that comments have been received by the TCEQ on the District's first bond issue. They are requesting some items from early on in the development. September 14, 2015 is the completion date. Mr. Lozano stated that Garry Kimball will attend the August meeting to discuss the bond numbers in detail with the Board.

9. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution and Collection System

Manager Kristi Hester reported on the operations and maintenance of the District. There was no water loss during the month of June. The District has 105 water connections and 102 wastewater connections. As the Board knows, the PUA previously conducted a chlorine burnout of the water system, which did the system good. However, the issues are now returning. Mrs. Hester will contact the PUA on this matter. The chlorine residual level cannot be lower than .5. As discussed at last month's meeting, the drought surcharge has been removed and the District is allowed to water twice per week. Mrs. Hester reported that new watering signs have been installed within the District.

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

Mary Bott discussed the financials with the Board and presented an updated cash activity report. Mrs. Bott will void David Bosco's per diem due to his absence. Mrs. Bott reported that she contacted the Hays County tax office and the delinquent tax amount is due to a homeowner over 65 opting for quarterly installments of the District's taxes. The last payment is due at the end of July. The budget is still running on a positive variance. Mrs. Bott informed the Board that it will begin the budget process next month. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Joel DeSpain 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

Nancy Schroeder reported on and recommended approval of the following pay estimates:

Pay Estimate No. 7 in the amount of \$513,699.09 in connection with Reunion Ranch 2-2A Utilities submitted by DeNucci Constructors, LLC; and

Pay Estimate No. 1 in the amount of \$57,425.40 in connection with Reunion Ranch Phase 2, Section 3 Utilities submitted by Austin Engineering Co., Inc.; and

Pay Estimate No. 2 in the amount of \$26,240.40 in connection with Reunion Ranch Phase 2, Section 3 Utilities submitted by Austin Engineering Co., Inc.

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

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

This is a standing item and there was no discussion.

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


Jeniffer Concienne reported that this is a statutory requirement as indicated by the Government Code. The District must review its investment policy on an annual basis. The Code of Ethics and Financial Investment, Travel and Professional Service Policy was included in the agenda package for review. We are not aware of any needed changes. After discussion, motion was made by Joel DeSpain 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.

14. EFFLUENT DISPOSAL EASEMENT

Nancy Schroeder and Engineer Dennis Lozano discussed the need for the Effluent Disposal Easement for the TLAP major amendment. The District needs a real estate interest in the plant site and irrigation. Now that the owner and applicant are different, the District will need this easement so that the TCEQ will approve the permit. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the Effluent Disposal Easement as presented. The motion carried unanimously.

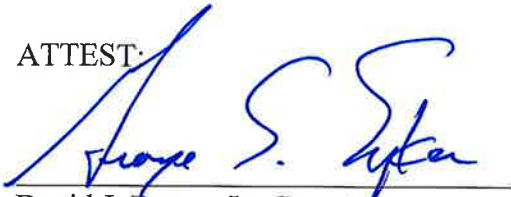
15. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST



David J. Bosco, Jr., Secretary
Reunion Ranch WCID

