

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 August 15, 2012, 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 Todd Janssen, Vince Terracina, David Bosco, George Sykes and Nathan Neese, thus constituting a quorum. All Directors were present.

Also present at the meeting were Adib Khoury, Michael Slack, Mike Willatt, Jeniffer Concienne, George Murfee, Allen Douthitt and Carol Polumbo.

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 President Todd Janssen seconded by David Bosco to approve the minutes of the July 19, 2012 meeting 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 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 progress of the wastewater treatment plant construction. The walls below the ground surface have been poured. Construction is progressing along well. The contractors are doing the trenching and installing the water and wastewater utilities. In the next few

weeks, the base on the roads should start. There are some issues with the off-site facilities that he is working with George Murfee on. Those should be resolved soon.

6. 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 reported on the change order for the off-site wastewater project. Nathan Neese asked about the issues with the off-site facilities. Mr. Murfee that they were minor issues and discussed those issues with the Board.

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

Allen Douthitt discussed the financials as included in the agenda package as well as presenting an updated cash activity report. Mr. Douthitt stated that the bookkeeper's account has been established and a few invoices were paid out of the account, which he will be asking for a transfer of funds into the account. After discussion, President Todd Janssen entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Nathan Neese to approve payment of the per diems, vendor payments and fund transfer to the bookkeeper's account. The motion carried unanimously.

8. BUDGET

Allen Douthitt presented and discussed the District's 2012/2013 budget. There was discussion of the LUE reservation fees. The reservation fee was not included in the budget. There was discussion regarding paying the fees this year or waiting until they are due, which is next year. Adib Khoury stated that they would not be paid this fiscal year. Engineer George Murfee discussed the fact that the impact fees are going to be increased in the near future. After discussion, motion was made by President Todd Janssen and seconded by Bubba Sykes to adopt the Order Approving Budget as presented. The motion carried unanimously.

9. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2012 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Attorney Mike Willatt discussed the fact that a tax rate needs to be in place when residents move into the District. Adib Khoury stated that construction will not begin until October and the houses will not be ready until next year so there will be no new residents in the District. That being the case, this item was passed on until the next fiscal year.

10. ORDER ADOPTING ENGINEERING REPORT AND APPROVING PLANS AND IMPROVEMENTS
11. RESOLUTION ADOPTING AND IMPLEMENTING BILINGUAL ELECTION REQUIREMENTS
12. RESOLUTION ADOPTING AND IMPLEMENTING THE USE OF ACCESSIBLE VOTING SYSTEMS IN ADDITION TO PAPER BALLOTS IN DISTRICT ELECTIONS
13. RESOLUTION AUTHORIZING SECRETARY'S APPOINTMENT OF AGENT TO PERFORM DUTIES DURING ELECTION PERIOD
14. CONTRACT FOR ELECTION SERVICES BETWEEN THE DISTRICT AND HAYS COUNTY ELECTION OFFICER
15. ORDER CALLING A SYSTEM FACILITIES BOND ELECTION AND A REFUNDING BOND ELECTION FOR REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT OF HAYS COUNTY, TEXAS AND MAKING PROVISIONS FOR CONDUCTING SUCH ELECTION AND OTHER PROVISIONS INCIDENTAL AND RELATED THERETO
16. AUTHORIZING THE DISTRICT'S LEGAL COUNSEL TO PUBLISH NOTICE OF THE NOVEMBER 6, 2012 ELECTION
17. AUTHORIZING THE DISTRICT'S LEGAL COUNSEL TO SUBMIT VOTING RIGHTS PRE-CLEARANCE REQUEST TO THE U.S. DEPARTMENT OF JUSTICE
18. ANY OTHER MATTER RELATING TO THE NOVEMBER 6, 2012 ELECTION
19. SEE ATTACHED SUPPLEMENTAL AGENDA FOR ELECTION ITEMS IN SPANISH

Bond counsel Carol Polumbo reported that Items 10 through 19 are related. The following discussion was on items 10 through 14, 16 and 17. She stated that she was informed by the District's engineer that the District needs to issue more bonds than what was previously approved, therefore resulting in the need for a second bond election. Ms. Polumbo turned to George Murfee to discuss and present his engineering report to support the bond election. The bond report calls for a maximum amount of bonds to be issued to \$30 million. Mr. Murfee went over the amounts of the constructions costs and non-construction costs. There was discussion as to where the dollar amount came from. Adib Khoury stated that he figured out what the bond issue should be and what the amount was in the past. Bubba Sykes asked about the procedure of the sole voter in the District.

Ms. Polumbo informed Mr. Sykes that the Attorney General also has to approve the bond issuance. Mr. Khoury pointed out that just because the District is asking for bond in the amount of \$30 million, does not mean that it has to issue all of them.

Ms. Polumbo discussed that the District's election is subject to the Voting Rights Act and will be submitted to the Department of Justice for clearance. Hays County will hold the election for the District, ensuring that all requirements will be met and enter into a contract with Hays County for that purpose. The election notice will be published in the newspaper as notification of the bond election.

After discussion, motion was made by Bubba Sykes and seconded by David Bosco to approve and adopt the following: Order Adopting Engineering Report and Approving Plans and Improvements; Resolution Adopting and Implementing Bilingual Election Requirements; Resolution Adopting and Implementing the Use of Accessible Voting Systems in Addition to Paper Ballots in District Elections; Resolution Authorizing Secretary's Appointment of Agent to Perform Duties During Election Period; Contract for Election Services between the District and Hays County Election Officer; Authorizing the District's legal counsel to publish notice of the November 6, 2012 election; and Authorizing the District's legal counsel to submit Voting Rights Pre-Clearance Request to the U.S. Department of Justice as presented. The motion carried unanimously.

Ms. Polumbo then discussed the prior bond election held in 2006 and the current order calling the bond election. There are some blanks in the order that will be filled in once the polling locations have been determined by Hays County. At the November election, there will be two propositions, one being new money bonds and the second being refunding bonds. It will be quite some time before the first bond issue. Ms. Polumbo explained that she has a safeguard in place that will preserve the right that the previous bond approval from 2006 will be in place if a mishap happens at the November election. After discussion, motion was made by Bubba Sykes and seconded by President Todd Janssen to adopt the Order Calling a System Facilities Bond election and a Refunding bond Election for Reunion Ranch Water Control and Improvement District of Hays County, Texas and Making Provisions for Conducting Such Election and Other Provisions Incidental and Related Thereto as presented. The motion carried unanimously.

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

Michael Slack discussed the two pay estimates as included in the agenda package. After discussion, motion was made by Nathan Neese and seconded by Vince Terracina to approve the following pay estimates as presented:

- Pay Estimate No. 2 in the amount of \$144,656.55 in connection with the FM 1826 16" Water Line Improvements submitted by Nelson Lewis, Inc.; and

- Pay Estimate No. 2 in the amount of \$394152.39 in connection with the RR Phase 1A Water, Wastewater and Drainage Improvements submitted by Nelson Lewis, Inc.

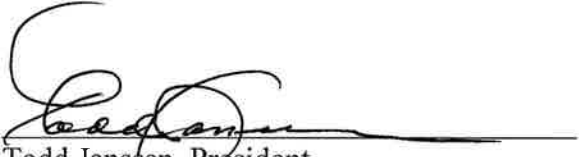
The motion carried unanimously.

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

No action was needed on this item.


22. ADJOURN

The meeting was adjourned.



Todd Janssen, President
Reunion Ranch WCID

ATTEST:



David J. Bosco, Secretary
Reunion Ranch WCID

[SEAL]

