

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 August 19, 2014, 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. David Bosco was absent.

Also present at the meeting were Michael Slack, George Murfee, Mike Willatt, Mary Bott, Kristi Hester and Jeniffer Concienne.

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. President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve the minutes of the July 15, 2014 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 discussed the sales within the District. To date, there have been 75 sales. The

average home price in the District is \$498,024. There were 40 sales on the 70' lots and 35 sales on the 90' lots. The interest in lot size seems to be about the same. The development has been built out and accepted down to Bear Creek. Bidding is now occurring on Phase 1 and Frank's lots, Phase 2-1 and the bridge. Construction should begin in September. Mr. Slack discussed the need for TCEQ approval on the water abatement plan. The construction on the amenity center is ongoing and now is going vertical. Bubba Sykes asked how many homes are occupied. Mr. Slack said about 47.

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 getting the wastewater treatment plant permits done. The permits are administratively complete with the TCEQ and both public comment notifications have been completed. Mr. Murfee reported that there has been no opposition so far.

7. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 1<sup>ST</sup> BOND ISSUE

Michael Slack reported that Garry Kimball is working on the District's first bond issue with Engineer Dennis Lozano and himself. Engineer George Murfee reported that they are preparing the application and will not be seeking creation costs in this issue. The bond closing will probably occur around April 2015. The bond issue amount is estimated to be around \$3.6 million. No action was needed at this time.

8. OPERATIONS AND MAINTENANCE REPORT

Kristi Hester reported on the operations and maintenance of the District. Mrs. Hester stated that there was a 20% water loss this period. There are currently 71 active accounts in the District. As discussed at last month's meeting, there was a decimal error in the wastewater capacity. The actual capacity is only at 12%. The average water bill for the District is \$112. Mrs. Hester reported that she has not received any calls on the increased water bills, which is now in effect. Mrs. Hester also reported that the plant is running fine.

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

Mary Bott discussed the financials as included in the agenda package, along with the updated cash activity report. Ms. Bott will void the per diem check for David Bosco due to his absence. The collateral is adequate on the District's funds. After discussion, motion was made by Vince Terracina and seconded by Joel DeSpain to approve payment of the per diems, invoices and transfer to the bookkeeper's account as presented. The motion carried unanimously.

10. ORDER ADOPTING BUDGET

Mary Bott discussed the District's assessed valuation of \$20,303,767 and the proposed budget. The budget as presented will not require developer funding. There was discussion of the debt service and maintenance and operation calculations once the bonds are issued. Michael Slack stated that the PUA monthly charge will need to be adjusted at a higher level. Kristi Hester stated that she believes the wastewater repair and maintenance line item should be increased as well. Engineer George Murfee discussed the special engineering fees in connection with the bond application. After discussion, motion was made by Vince Terracina and seconded by Bubba Sykes to adopt the Order Approving Budget with the changes as discussed above. The motion carried unanimously. Mary Bott will provide a revised budget for attachment to the Order.

11. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2014 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Jeniffer Concienne discussed the proposed tax rate of \$.875 as calculated by the District's Financial Advisor, Garry Kimball and the publication of the notice in the *San Marcos Daily Record*. All of the tax rate will go toward maintenance and operation. At the next board meeting, a public hearing will be held after which the tax rate can be adopted. After discussion, motion was made by Vince Terracina and seconded by Bubba Sykes to adopt the Order Setting the District's Proposed Tax Rate for 2014 and Providing for Publication of Notice Thereof. The motion carried unanimously.

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

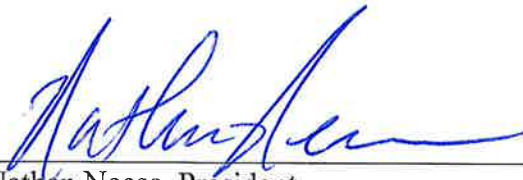
This is a standing item and there was no discussion.

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

This is a standing item and there was no discussion.

14. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President  
Reunion Ranch WCID

ATTEST:



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

