

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 20, 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 Dennis Lozano, Mike Willatt, Jeniffer Concienne, Mary Bott, Scott Manuel and Garry Kimball.

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 Nathan Neese to approve the minutes of the July 10, 2013 special meeting as presented. The motion carried unanimously.

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

Attorney Mike Willatt informed that the Board that at the next meeting, Joel DeSpain will be filing an application to replace Todd Janssen. A couple of the Board members know Joel DeSpain. The director's lot paperwork was not yet ready for this meeting.

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 that the retainage has been completed on the internal facilities. The completion of the off-site facilities will occur in about a month. Mr. Slack reported on Phase 1B, which is currently under construction. The contractor is installing the base right now. Paving will occur in about a month from Reunion Ranch Boulevard to the creek. Twenty-two (22) homes have been sold so far, being 11 on 70' lots and 11 on 90' lots. The average price is about \$500,000. Construction on the amenity center will begin next year.

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 Dennis Lozano filled in for George Murfee. Mr. Lozano reported on the 210 permit. The 210 permit has been submitted to the TCEQ and the TCEQ has submitted its comments. He will need a physical address to submit to the TCEQ per their request. Mr. Lozano also discussed the Customer Pro Rata Curtailment Plan which has also been submitted. The plan was revised and submitted to the LCRA due to the construction of the first phase of the subdivision, homes being built and residents within the District. This revised plan should not cause a serious hit to the District in connection with its water. There was also discussion on the 1826 waterline extension. There is just one sheet of items left to complete and then the line can be conveyed. The PUA should send the assignment and conveyance documents to Attorney Mike Willatt.

9. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed the Operations and Maintenance Report for water and wastewater as included in the agenda package. There was an 18% water loss reported this period. This could be due to construction use where the contractors just get water from wherever it is available. The Board indicated that was a lot of water to use. Flushing the lines could be where some of the water went. Michael Slack reported that there was a water line break at the wastewater plant. Mr. Manuel summarized his report with the Board. ST conducted 52 inspections, including new construction taps and customer service inspections. There are 8 homes in the District that are occupied. Once

there are 12 residential connections, the TCEQ will be notified and the system will be classified as active. Michael Slack and Mr. Manuel discussed monitoring stations and soil samples before the drip irrigation system can be started up.

10. TAX COLLECTION AGREEMENT WITH HAYS COUNTY

Attorney Mike Willatt discussed the need to get the Tax Collection Agreement in place with Hays County although the District will not be setting a tax rate this year. After discussion, motion was made by Bubba Sykes and seconded by Nathan Neese to approve the Interlocal Cooperation Agreement Assessment and Collection of Taxes between the District and Hays County as presented. The motion carried unanimously.

11. ORDER APPROVING BUDGET

Mary Bott discussed the need for an amendment to the current budget. The budget needs amending due to the customers living in the District. Service fees, tap fees, expenses and the minimum fee to the PUA will be included. After discussion, motion was made by Vice President Vince Terracina and seconded by Bubba Sykes to adopt the Order Amending Budget as presented. The motion carried unanimously.

Ms. Bott indicated that the budget for 2013/2014 is not yet ready for consideration. It is very likely that the District will need an audit this year as well. There are several key assumptions to consider for the upcoming budget, which are new taps, 10,000 gallons of customer water usage and 5,000 gallons of customer wastewater usage. Also, garbage service and street lighting need to be considered. Michael Slack stated that there will not be any street lights. No action was taken.

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

Mary Bott discussed the financials and the updated cash activity report. The per diem check for Todd Janssen will be voided due to his absence. As shown on the report, all of the District's funds are collateralized. There is a positive surplus on the budget, which will be updated next month. After discussion, motion was made by David Bosco and seconded by Vice President Vince Terracina to approve payment of the per diems, invoices and fund transfer to the bookkeeper's account as presented. The motion carried unanimously.

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

Michael Slack discussed and recommended approval of the following pay estimate as included in the agenda package. After discussion, motion was made by David Bosco and seconded by Nathan Neese to approve the following and authorize Vice President Vince Terracina to execute

same:

- Pay Estimate No. 3W in the amount of \$286,870.60 in connection with the Reunion Ranch Phase 1B - Water, Wastewater and Drainage submitted by DNT Construction

The motion carried unanimously. The project is 79% complete.

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

This item was not discussed.

15. AMENDED INFORMATION FORM

The Amended Information Form is a statutory requirement and provides information on the District, such as its boundary, tax rate and bond issues. The form is required to be filed with the TCEQ and the Hays County Clerk. It is being revised to include the updated bond amount from the bond election and the current District boundary. After discussion, motion was made by Bubba Sykes and seconded by David Bosco to authorize signature by the Board and the filing with the TCEQ and Hays County Clerk. The motion carried unanimously.

16. FINANCIAL ADVISORY SERVICES AGREEMENT BETWEEN THE DISTRICT AND SPECIALIZED PUBLIC FINANCE INC.

Garry Kimball addressed the Board and presented a handout and advised that he has done all the creation work for the District. He was formerly with First Southwest when the District hired him as the financial advisor. After that time, he branched out with several others and opened Specialized Public Finance Inc. They are now the 4<sup>th</sup> largest company in the State. They represent 40+ districts. This summer he was reviewing the District's file due to the tax rate and realized that the District's contract was with his old company. Mr. Kimball discussed his fees and that the contract is for a 3 year period, but may be cancelled upon 30-days written notice by either party. The rate for the first bond issue is for 1.75% of the issuance and then each issuance thereafter will be at 1.5%. The first issuance is estimated at \$3 to \$3.5 million. The work begins about 9 months ahead of time. He will be working with the bookkeeper and following up with the Hays Central Appraisal District to be sure everything is in place. There is still several years out before the first bond sale. After discussion, motion was made by Nathan Neese and seconded by Vice President Vince Terracina to approve the cancellation of the First Southwest contract and approve the Specialized Public Finance Inc. contract as presented. The motion carried unanimously.


The Specialized Public Finance Inc. contract with the District will be held in escrow until the 30-day cancellation period with First Southwest has expired.

17. ADJOURN

Vice President Vince Terracina adjourned the meeting.

  
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Vice President  
Reunion Ranch WCID

ATTEST:

  
\_\_\_\_\_, Secretary  
Reunion Ranch WCID

