

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 September 15, 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, David Bosco, Bubba Sykes and Joel DeSpain, thus constituting a quorum. All Directors were present.

Also present at the meeting were Michael Slack, Austin Evttes, Dennis Lozano, Bill Flickinger, Mary Bott, Kristi Hester, Garry Kimball, Frank Krasovec 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. President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Joel DeSpain to approve the minutes of the August 18, 2015 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 sales within the District. There have been 123 homes sold to date. 6 homes on 60' lots, 69 homes on 70' lots, 1 home on a 80" lot and 47 were on 90' lots. The

average sales price of homes within the District is \$491,093.

Mr. Slack stated that the walk-thru has been conducted for Phase 2, Section 2. However, the PEC still needs to run the power, but all is essentially done with the exception of revegetation. The custom lot section is in Phase 2, Section 3. The subgrade for the roads in that section have been put in and should be paved by October 15<sup>th</sup>. All of the landscaping within the boulevard has been sent out to bid. The target date for completion of the lift station is mid-October. Mr. Slack discussed utilizing the 210 permit to use effluent to irrigate.

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 Dennis Lozano discussed his report as included in the agenda package. In regards to the construction within the District, Phase 2, Section 1 the pavement repairs have been completed. The retainage can now be released.

The failed wet well at the lift station has been replaced, which caused a bit of delay.

Mr. Lozano reported that he has not heard back from the LCRA in connection with curtailment. He is not concerned because this matter is not pressing at this time.

Mr. Lozano also discussed the TLAP major amendment. The TCEQ provided its comments and Murfee will be submitting their response next week to keep the project moving. However, this will be a 4 to 6 month process.

Lastly, there was discussion of the City of Austin trying to stop the City of Dripping Springs from obtaining its wastewater permit so that they cannot discharge wastewater into Onion Creek. This is a big deal to TLAP holders and could possibly be a potential financial impact on the District.

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

Engineer Dennis Lozano reported that the District's first bond is running smooth. The bond issue should be closed by the end of the year. The TCEQ has requested a field inspection.

Garry Kimball presented a timetable for actions needs to get through the bond issue process. We will need to get with Maxwell, Locke & Ritter for an engagement letter so that they can prepare the bond reimbursement audit. The District's bond issue will be in the amount of \$3,500,000.

8. 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. Mrs. Hester reported that the wastewater treatment plant was down for a few hours. The plant is running at 21.8% capacity. Michael Slack and Mrs. Hester discussed the cost repairs to the drip fields. The retainage will be withheld on this project for the time being.

As discussed at last month's meeting, a letter was sent to the PUA regarding the pressure issues and the PRV repairs. That letter included an invoice in the amount of \$1,586.45, which ST asked that the District be reimbursed for. As of today, there has been no response.

Chlorine issues were reported on September 9<sup>th</sup>. The District is required by the TCEQ to maintain a chlorine residual of higher than a .50. The PUA was contacted and the lines were flushed and the next day the level was back up. ST is monitoring the situation on a daily basis. This will likely not be problem when more water is used within the District. There are four miles of a 16" water line, which holds a lot of water and when it is not used, it can cause these types of issues.

There were also four new meters set this period. Mrs. Hester reported a 1% water loss during the month of August.

9. INSURANCE RENEWAL DOCUMENTS SUBMITTED BY AQUASURANCE

Jeniffer Concienne discussed the insurance renewal documents that were included in the agenda package. Bubba Sykes explained that he reviewed the policies and they all look good and he agrees with the proposals given. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Joel DeSpain and seconded by Bubba Sykes to approve the insurance renewals documents as presented. The motion carried unanimously.

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 explained that there is a \$812 balance due to the roll back taxes. The budget is running a \$102,000 positive variance due to developer contributions and selling a lot of water. On the expense side, the District is having to buy more water and there were a few maintenance issues. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by David Bosco to approve payment of the per diems, invoices, fund transfer to the bookkeeper's account as presented. The motion carried unanimously.

11. PUBLIC HEARING ON TAX RATE

President Nathan Neese opened the public hearing on the tax rate for comment. Seeing no citizens present, President Neese closed the public hearing.

12. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2015

Jeniffer Concienne reported that the Notice of Public Hearing on the Tax Rate was published in the San Marcos Daily Record. The District's appraisal roll came in at \$37,229,872. The financial advisor recommended staying with the same tax rate as last year, which was \$.875. The tax rate will be split between maintenance and operation at a rate of \$.775 and debt service at a rate of \$.10. After discussion, motion was made by President Nathan Neese and seconded by Bubba Sykes to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2015 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 estimates and change order:

Pay Estimate No. 3 in the amount of \$59,013.49 in connection with Reunion Ranch Lift Station No. 1 submitted by Excel Construction Services, LLC; and

Pay Estimate No. 4 in the amount of \$432,766.80 in connection with Reunion Ranch Phase 2, Section 3 Utilities submitted by Austin Engineering Co., Inc.; and

Change Order No. 1 in the amount of \$39,206.00 in connection with Reunion Ranch Phase 2, Section 3 Water, Wastewater, Drainage and Erosion Controls submitted by Taylor Morrison; and

Pay Estimate No. 9 (Final) in the amount of \$213,250.48, but no retainage in connection with Reunion Ranch Phase 2, Section 2A Utilities submitted by DeNucci Constructors, LLC.

After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Joel DeSpain and seconded by Vince Terracina to approve payment of the foregoing pay estimates and change order as presented. The motion carried unanimously.

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

This is a standing item and there was no discussion.


15. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President  
Reunion Ranch WCID

ATTEST:



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

[SEAL]