

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 17, 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 George Murfee, Mike Willatt, Jeniffer Concienne, Mary Bott, Scott Manuel and Joel DeSpain.

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 Bubba Sykes and seconded by Vice President Vince Terracina to approve the minutes of the August 20, 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

6. ELECTION OF OFFICERS

Jeniffer Concienne advised that Item Nos. 5 and 6 were not ready for action.

Attorney Mike Willatt indicated that Joel DeSpain attended the meeting to be a bystander.

7. RETAIN AUDITOR

Jeniffer Concienne reported that she was made aware that the District has passed the financial threshold and will need an audit this year. Maxwell Locke and Ritter submitted a proposal in connection with the audit. Bubba Sykes inquired if bids have been or will be taken. Attorney Mike Willatt advised that was not necessary. After discussion and review of the proposal, motion was made by Bubba Sykes and seconded by David Bosco to retain Maxwell Locke & Ritter as the District's auditor. The motion carried unanimously.

8. 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 was not in attendance.

9. 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 stated there are three items left in connection with closing out the FM 1826 waterline project. Once those are completed, the PUA will send conveyance documents to Attorney Mike Willatt, which will transfer the ownership to the PUA. Mr. Murfee discussed the revised curtailment plan that was recently submitted to the LCRA. The LCRA visited the District and Mr. Murfee received negative comments on water use in the District. There were notes on muddy yards and water running down the curb. The report was forwarded to Michael Slack for review. Mr. Willatt stated the PUA needs to have someone monitoring the water use in its areas. Scott Manuel advised that ST is somewhat monitoring the areas. When the operators are on site, they are looking out for violations. A letter can be sent, however no fines will be assessed. Nathan Neese advised that the District has a direct contract with the LCRA so fines possibly can be assessed. Mr. Murfee stated that the PUA is meeting tomorrow and these issues can be addressed.

10. AGREEMENT FOR THE PROVISION OF LIMITED PROFESSIONAL SERVICES IN CONNECTION WITH TLAP RENEWAL APPLICATION SUBMITTED BY MURFEE ENGINEERING CO. INC.

Engineer George Murfee advised that the two TLAP permits are coming up for renewal and he therefore submitted an agreement for limited professional services in connection with that project. The projects are renewed every five years. After discussion, motion was made by Vice President

Vince Terracina and seconded by David Bosco to approve the Agreement for the Provision of Limited Professional Services as presented. The motion carried unanimously.

11. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed the Operations and Maintenance Report for water and wastewater as included in the agenda package. The report showed a 50% water loss. There was a leak at the wastewater treatment plant and there was a lot of flushing of the lines. Next month should be better. The District has 32 water connections and 31 wastewater connections with nine customers. Bubba Sykes asked if the leak at the plant was fixed and Mr. Manuel indicated it was.

12. ORDER APPROVING BUDGET FOR 2013/2014

Mary Bott discussed the budget, which is basically the same as the proposed budget from last month. The expense for street lighting was removed and she added a line item on the TLAP renewal costs and will increase the developer advance. After discussion, motion was made by Nathan Neese and seconded by Vince Terracina to adopt the Order Approving Budget for 2013/2014 discussed. The motion carried unanimously.

13. DISTRICT'S INSURANCE RENEWAL SUBMITTED BY AQUASURANCE

Jeniffer Concienne informed the Board that the insurance documents were not yet ready for consideration.

14. BOTT & DOUTHITT, PLLC ACCOUNTING ENGAGEMENT LETTER

Mary Bott discussed the accounting engagement letter as included in the agenda package. Ms. Bott informed the Board that since they are a CPA firm, it is required by the American Institute of Certified Public Accounts that they have this letter. It basically just compliments the bookkeeper's contract and spells out the responsibilities of the Board and Bott & Douthitt. After discussion, motion was made by Bubba Sykes and seconded by David Bosco to approve the accounting engagement letter as presented. The motion carried unanimously.

15. 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. Ms. Bott indicated that she will pay the PUA invoice but she believes there is a formula error. Michael Slack will review it further. She was under the impression that Joel DeSpain would be appointed today, and since that did not happen, Ms. Bott will void his per diem check. Ms. Bott discussed the rest of the bookkeeper's report including the Lot Schedule in detail for the benefit of Mr. DeSpain. Mr. DeSpain inquired about the cost of the impact fees and Attorney Mike Willatt explained. After discussion, motion was made by Vice President Vince Terracina and seconded by Nathan Neese to

approve payment of the per diems and invoices as presented. The motion carried unanimously.

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

Jeniffer Concienne reported that there were two pay estimates and one change order for consideration. These were forwarded to her by Michael Slack's office for consideration in his absence. Pay Estimate No 3 was approved at last month's meeting and then it was discovered that Pay Estimate No. 2 had not been submitted for approval. After discussion, motion was made by Vice President Vince Terracina and seconded by Nathan Neese to approve the following and authorize Vice President Vince Terracina to execute same:

- Pay Estimate No. 2W in the amount of \$45,187.65 in connection with the Reunion Ranch Phase 1B - Water, Wastewater and Drainage submitted by DNT Construction; and
- Pay Estimate No. 4W in the amount of \$62,161.64 in connection with the Reunion Ranch Phase 1B - Water, Wastewater and Drainage submitted by DNT Construction; and
- Change Order No. 1 in the amount of \$71,415.60 in connection with the Reunion Ranch Phase 1B - Water, Wastewater and Drainage for clearing and rough cutting.


The motion carried unanimously.

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

This item was not discussed.


18. ADJOURN

Vice President Vince Terracina adjourned the meeting.



Vince Terracina / VC President
Reunion Ranch WCID

ATTEST:



David Bosco, Secretary
Reunion Ranch WCID

