

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 September 19, 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, David Bosco and Bubba Sykes, thus constituting a quorum. Vince Terracina and Nathan Neese were absent.

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

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 seconded by David Bosco to approve the minutes of the August 15, 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 that 70% of the internal facilities are complete. The contractor is paving the first half. Construction of the model homes should begin in mid-October and be completed by January. The spec homes and be constructed after that. A sales trailer will be put on

site soon. Taylor Morrison is the builder. It is possible that residents can be in by May. Mr. Slack reported on the wastewater treatment plant. All concrete has been poured. Engineer George Murfee presented photos of the plant and other parts of the project. The elevated storage tank and 11 miles of the drip system will be done next. There was discussion of additional top soil being needed for the drip system. Mr. Slack stated that a change order will be issued for the top soil. The FM 1826 water line project is approximately 15% complete. The contractor is down to the last bore. There have been some utility issues but those seem to be worked out and it is hoped that completion will be in December.

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 stated that Michael Slack did a good job of covering it all.

7. DISTRICT'S INSURANCE RENEWAL

Jeniffer Concienne discussed the insurance renewal documents as included in the agenda package with the \$2,000,000 additional coverage in D&O. Bubba Sykes discussed his concern over the current coverage limit and possible lawsuits against members of the Board. There was discussion of how much the insurance carrier knows about the District's construction and activities. Attorney Mike Willatt reported on his knowledge of lawsuits against MUDs. After discussion, motion was made by Bubba Sykes and seconded by President Todd Janssen to approve the insurance renewal with AquaSurance and increase the D&O coverage from \$1,000,000 to \$2,000,000 per occurrence. The motion carried unanimously.

8. 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 as well as presenting an updated cash activity report. After discussion, President Todd Janssen entertained a motion for approval. Motion was made by David Bosco and seconded by Bubba Sykes to approve payment of the per diems, vendor payments and fund transfer to the bookkeeper's account. The motion carried unanimously.

9. ANY OTHER MATTER RELATING TO THE NOVEMBER 6, 2012 ELECTION, INCLUDING CANVASS OF THE RETURNS

Jeniffer Concienne informed the Board that they would need to reschedule the November meeting date to fit the schedule to canvass the returns of the November 6, 2012 election. After discussion, the Board agreed to meet on November 14<sup>th</sup>, which will take the place of the regular

meeting as well as canvass the returns.

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

Michael Slack discussed the four pay estimates and one change order as included in the agenda package. After discussion, motion was made by President Todd Janssen and seconded by David Bosco to approve the following pay estimates and change order as presented:

- Pay Estimate No. 3 in the amount of \$66,288.15 in connection with the FM 1826 16" Water Line Improvements submitted by Nelson Lewis, Inc.; and
- Change Order No. 1 in the amount of \$52,186.00 in connection with the FM 1826 16" Water Line Improvements submitted by Nelson Lewis, Inc.; and
- Pay Estimate No. 3 in the amount of \$216,950.66 in connection with the RR Phase 1A Water, Wastewater and Drainage Improvements submitted by Nelson Lewis, Inc.; and
- Pay Estimate No. 2 in the amount of \$95,642.82 in connection with the RR Phase 1A - Wastewater Treatment Plant submitted by Waste Water Solutions; and
- Pay Estimate No. 3 in the amount of \$300,295.38 in connection with the RR Phase 1A - Wastewater Treatment Plant submitted by Waste Water Solutions.

The motion carried unanimously.

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

Michael Slack stated that it has come to their attention that an operation company is needed, especially if the models homes are being constructed. President Todd Janssen asked if this type of contract is required to be bid out. Attorney Mike Willatt stated that it is not required. Mr. Slack will obtain proposals from Seven Trent and Crossroads. An item will be placed on next month's agenda for management proposals.

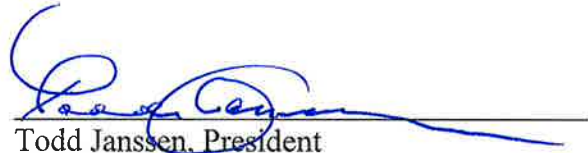
12. AMENDMENT TO CORRECTION WATER LINE EASEMENT AND RIGHT-OF-WAY

Attorney Mike Willatt addressed the Board in connection with the amendment to the water line easement. The amendment is needed so that the easement can divert over and miss a tree that

is located in its path. After discussion, motion was made by President Todd Janssen and seconded by David Bosco to approve and accept the Amendment to Correction Water Line Easement and Right-of Way as presented. The motion carried unanimously. Michael Slack stated that he would have the document recorded with the Hays County Clerk.


13. ADJOURN

President Todd Janssen adjourned the meeting.



Todd Janssen, President  
Reunion Ranch WCID

ATTEST:



David J. Bosco, Secretary  
Reunion Ranch WCID

[SEAL]

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