

MINUTES OF REGULAR MEETING
OF
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A regular meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held at 2:00 p.m. on October 15, 2019 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, 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 – President
Vince Terracina – Vice President
Thomas J. Rogers, Jr. – Secretary
George “Bubba” Sykes – Assistant Secretary
Dennis Daniel – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also, present at the meeting were Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis with Inframark, LLC, Mike Moyer with Taylor Morrison and Garry Kimball with Specialized Public Finance Inc.

3. PUBLIC COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval of the Minutes. Motion was made by Tom Rogers and seconded by Dennis Daniel to approve the September 11, 2019 meeting Minutes 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 SERVICE 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

Mike Moyer reported on the homebuilding metrics. A total of 401 homes have been sold. The average sales price in the District is up this month to \$516,313. Mr. Moyer reported that they are wrapping up Phase 3 Section 3. However, there are a few pond items remaining. Taylor Morrison also approved the balance of the wastewater treatment plant design.

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

This item was not discussed.

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

This item was not discussed.

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 discussed his report as included in the agenda package.

A letter from the TCEQ was received acknowledging cancellation of Permit B. No further action is needed on this matter.

In regard to the Notice of Violations at the wastewater treatment plant, Mr. Lozano discussed the communication with the TCEQ on the sampling and chlorine contact chamber. The TCEQ was ok with the completion being when the plant has been expanded, however they have not provided that in writing. Mr. Lozano will follow-up with the TCEQ. Manager Jesse Kennis advised that the berm should be installed by the November 4th deadline, which will fix the issue on saturation in Zone 20.

As previously stated, an application has been submitted to the LCRA for approval of 350 MAQ raw water reservation. The LCRA has followed up with a request for additional information. Murfee Engineering has provided that information and approval is anticipated.

Mr. Lozano reported on the Edwards Aquifer Recharge Zone wastewater line inspections. These inspections are required every five (5) years to ensure the environmental quality is being protected. There are seven (7) sections within the District that fall into the recharge zone. Three of these sections are due for an inspection in 2020. It may be beneficial to inspect all the zones at the same time. After further review, Mr. Lozano will come back with a price and time estimate for this project.

9. NOTICE OF VIOLATIONS ISSUED BY TCEQ DATED AUGUST 5, 2019

This item was discussed above under the Engineer's Report.

10. ENGAGEMENT LETTER SUBMITTED BY MAXWELL LOCKE & RITTER FOR BOND REIMBURSEMENT AUDIT FOR THE DISTRICT'S 5TH BOND ISSUE

Attorney Matt McPhail advised Maxwell Locke & Ritter submitted an engagement letter for the District's bond reimbursement audit. After discussion, motion was made by Dennis Daniel and seconded by Tom Rogers to approve the engagement letter as submitted. The motion carried unanimously.

11. RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT AND PUBLICATION OF A NOTICE OF SALE OF BONDS; AND APPROVING OTHER RELATED MATTERS

12. AUTHORIZING PAYMENT OF THE ATTORNEY GENERAL BOND REVIEW FEE

13. DESIGNATION OF PAYING AGENT/REGISTRAR FOR THE BONDS

14. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 5TH BOND ISSUE

Items 11 through 14 were discussed together. Financial Advisor Garry Kimball discussed the Preliminary Official Statement. Director Dennis Daniel inquired about refunding bonds and ag waivers. After discussion, motion was made by Bubba Sykes and seconded by Tom Rogers to adopt the Resolution Approving Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of a Notice of Sale of the Bonds; and Approving Other Related Matters, including the payment to the Attorney General and Designation of the Paying Agent/Registrar. The motion carried unanimously.

15. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

Engineer Dennis Lozano reported that the wastewater treatment plant expansion is under official contract for the design. Developer Mike Moyer would like to see an updated construction schedule. Mr. Lozano will get it prepared and sent to Mr. Moyer.

16. COMMITTEE REPORTS.

- a. Trail/Map/Ownership committee (Trail system within the District; Map of the District/HOA property; conveyances, easements and/or license agreements to the District or HOA from developer)
- b. PUA Rate committee

This item was not discussed.

17. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Charges by Inframark for HOA meters
- N. TCEQ Notice of Violations dated August 5, 2019

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

There is a total of 399 active connections. The average monthly water consumption was 13.5 million gallons. Mr. Kennis reported that the chlorine residuals and bacteriological samples are satisfactory. There was a 2.3% water gain this month, probably due to the timing of the meter reads.

The delinquencies for September are as follows: 6 letters were mailed out, 5 door tags were hung and there were no disconnects.

Mr. Kennis stated that the wastewater plant is operating at 78% capacity. Mr. Kennis reported on several maintenance items at the plant. It was reported that the reactor mixer was replaced and the old one will be refurbished and kept as a spare. Mr. Kennis also reported that the sodium hypochlorite pump assembly has been installed and the sludge box is being fabricated and should ship in 6 to 8 weeks.

There was discussion of the ongoing odor issue around the amenity center. Inframark conducted smoke testing along Reunion Ranch Boulevard and no issues were discovered. However, Inframark received two additional complaints, one being from the developer and the other from a resident.

18. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 15 ABOVE

This item was not discussed.

19. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

20. INFRAMARK CONTRACT

Manager Jesse Kennis discussed the amendment to the Inframark contract, relating to the commercial/HOA connection fee. The change has been made to charge \$5.00 per connection instead of \$5.00 per 10,000 gallons of water usage. This change is under the Base Monthly Operations Fees. After discussion, motion was made by Dennis Daniel and seconded by Bubba Sykes to approve the First Amendment to the First Amended Professional Services Agreement with Inframark as presented. The motion carried unanimously.

21. DISTRICT INSURANCE RENEWAL

Director Bubba Sykes reported that he reviewed the insurance renewal documentation and it looks good. Mr. Sykes does have some additional questions to follow-up with Julie Collette at AJ Gallagher on pollution coverage and excess/umbrella coverage. As far as the renewal, Mr. Sykes recommends approval. There was discussion of insurance coverage for the new sludge box. The vendor offers insurance coverage for \$58.97 a month. Director Sykes recommends the vendor to provide the insurance coverage. After discussion, motion was made by Bubba Sykes and seconded by Tom Rogers to approve the District insurance renewal as presented with AJ Gallagher. The motion carried unanimously. Motion was also made by Bubba Sykes and seconded by Dennis Daniel to authorize Leaf to provide insurance coverage on the sludge box. The motion carried unanimously.

This item will be left on the agenda for next month so as to discuss the additional information as received by Bubba Sykes.

22. DESIGNATION OF LOCATION FOR POSTING OF NOTICES OF MEETINGS WITHIN THE DISTRICT

Jeniffer Concienne discussed the requested change for posting location. The HOA has a bulletin board at the amenity center that can be used for posting notices. Manager Jesse Kennis will contact the HOA manager for access to the bulletin board. After discussion, motion was made by Dennis Daniel and seconded by Bubba Sykes to adopt the Designation of Location of Posting Notices of Meetings within the District as discussed. The motion carried unanimously.

23. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt presented and discussed the updated cash activity report with the Board. Today's consideration will include payment of vendor invoices and per diems and authorization of a fund transfer. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve payment of the vendor invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

24. BOOKKEEPING SERVICES AGREEMENT

Bookkeeper Allen Douthitt discussed his amended Bookkeeping Services Agreement as discussed at last month's board meeting. Director Bubba Sykes discussed the insurance coverage by Bott & Douthitt and would like to have the Certificate of Insurance attached to the Agreement. Mr. Douthitt will send the Certificate to the District's attorney for attachment to the Agreement. After discussion, motion was made by Dennis Daniel and seconded by President Nathan Neese to approve the Bookkeeping Services Agreement as presented. The motion carried unanimously.

25. WEST TRAVIS COUNTY PUA MATTERS; INCLUDING POTENTIAL ADJSUTMENT TO WHOLESALE WATER AND WASTEWATER RATES AND CURRENT WATER RESTRICTIONS

This item was not discussed.

26. RATE ORDER

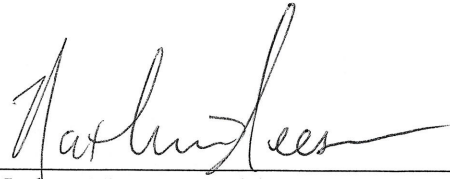
Jeniffer Concienne reported that there was another change in the Rate Order. When the leak adjustment was added to the Rate Order, there was a discrepancy with the meter change out charge. It should have been \$50 instead of \$100. That charge has been corrected. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Tom Rogers to adopt the Order Establishing Water and Wastewater Service Rates, Charges, Tap Fees and Solid Waste Disposal/Recycling Fees and Adopting General Policies with Respect to the District's Water, Wastewater and Drainage Systems as corrected. The motion carried unanimously.

27. DISTRICT WEBSITE; PROPOSAL(S) FOR CREATION OF DISTRICT WEBSITE

The Board discussed the three proposals on website creation as included in the agenda package. After discussion, motion as made by Dennis Daniel and seconded by Vince Terracina to accept the proposal submitted by Sommers Marketing. The motion carried unanimously. Jeniffer Concienne will get in touch with Sommers Marketing to begin creation of the District's website.

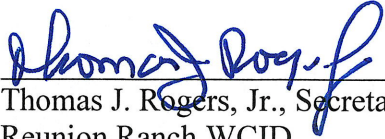
28. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



Thomas J. Rogers, Jr., Secretary
Reunion Ranch WCID

[SEAL]

