

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 October 21, 2014, 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 and Bubba Sykes, thus constituting a quorum. President Nathan Neese and Joel DeSpain were absent.

Also present at the meeting were Dennis Lozano, Mike Willatt, Mary Bott, Scott Manuel, Jeniffer Concienne, Frank Krasovec, Gloria Auth and Marian Buchanan.

3.     CITIZEN COMMENTS

Gloria Auth and Marian Buchanan introduced themselves as residents of the District. Ms. Auth presented a list of questions in connection with the overall functions of the District, Cost of Water and the Quality of Water. Attorney Mike Willatt went through the list of questions posed by the residents and discussed and answered them. A copy of the list is attached. District Manager, Scott Manuel and the District Engineer, Dennis Lozano also addressed the questions as presented. Mr. Willatt explained that Taylor Morrison is the developer within the District and Michael Slack, the Developer Representative was not able to attend the meeting. We will be glad to forward the list of questions to Michael Slack for his review and will provide his contact information to Ms. Auth.

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 Vince Terracina to approve the minutes of the September 10, 2014 meeting as presented. The motion carried unanimously.

5. INSURANCE RENEWAL DOCUMENTS SUBMITTED BY AQUASURANCE.

Jeniffer Concienne presented the renewal documents as submitted by AquaSurance. The coverage includes, Property, DIC, Boiler & Machinery; General Liability, Hire & Non-Owned Auto & Pollution Liability, D&O in the amount of \$2 million, Director Bond and Consultants Bond. The premium was increased by \$387 from last year, bringing the total premium to \$9,538. Mrs. Concienne reported that she sent all the documents to Bubba Sykes for review. Bubba Sykes stated that the proposal was consistent with last year's and he recommends approval. Motion was made by Vice President Vince Terracina and seconded by David Bosco to approve the insurance renewal documents as presented. The motion carried unanimously.

6. 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

As stated earlier, Michael Slack was not able to attend the board meeting so he sent an e-mail providing details on the developers' report. Jeniffer Concienne informed the Board on the building figures. There have been 80 sales to date, 45 of those sales have been on 70' lots and 35 on 90' lots. The average sales price for all 80 homes is \$494,476. In regards to the construction activity, Mrs. Concienne stated that Phase 2, Section 1 was recently bid, which included the remainder of Reunion Boulevard and the bridge and all associated utilities across Bear Creek to the south side of the property. Central Road & Utility was the low bidder and Taylor Morrison is satisfied with the Board awarding that contract to them. Mr. Slack's e-mail advises that he anticipates completion of that project by April 2015. Notice to Bidder was sent out for the next phase, which is Phase 2, Section 2A. That project will be bid on November 11<sup>th</sup>. Mr. Slack will provide the bid tabs and ask the Board to consider the contract shortly thereafter.

7. 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 stated that the TCEQ has issued both draft permits. Mr. Lozano also reported that Save Our Springs has commented on the permits. In his opinion, they have limited standing so he believes they are no threat to the District.

8. EFFLUENT DISPOSAL EASEMENT

Dennis Lozano discussed the easements for approval. The District must have a real estate interest in the property to use the plant, which should be a lease or easement. The application for the wastewater treatment plant was in the name of the owner, but now the permit is in the name of the District. The Effluent Disposal Easement is for the five lots on the front section and the Wastewater Treatment Plant Easement is the lot where the treatment plant and amenity center sits on. Another easement will need to be drafted for the property on the south side. Attorney Mike Willatt reported that he will revise the Effluent Disposal Easement to delete the last sentence under all the lot descriptions that refers to the exhibits. Dennis Lozano will provide the exhibit to the other easements. Frank Krasovec advised that once the easement for his property is drafted, please send a copy to his attorney Bill Bryant for review. After discussion, motion was made by Bubba Sykes and seconded by Vice President Vince Terracina to approve and accept the easements and authorize the Vice President and Secretary to sign and approve the change to the Effluent Disposal Easement as discussed. The motion carried unanimously.

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

Engineer Dennis Lozano discussed the current bond issue. The issue will be in the amount of \$3 million. They are not seeking older reimbursement, but instead will be asking for the newer stuff first. Polly Hagerty at Taylor Morrison has been great on providing the documents needed.

10. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed his report with the Board. Mr. Manuel reported that he failed to collect required bacteriological samples. This initiated the requirement to do a public notification of the failure to collect those samples. However, he reported that at no time was public health an issue. All testing done shows the water supply was safe. The water quality was discussed in regards to the PUA. They need to figure out the flushing. ST has requested a refund on behalf of the District for all of the water that had to be flushed. The PUA has agreed to a refund for October but have not yet agreed to a refund for September. It was discussed as to why the PUA was not flushing on their side of the meter instead of the Districts. Bubba Sykes inquired as to why the wastewater plant maintenance is so high since the plant is new. Mr. Manuel explained that this plant was put online with very minimal flow and now that there is more flow, issues are coming to light. At last month's meeting, there was discussion of the buffer between the plant and amenity center. The Board asked if that issue has been resolved. Mr. Manuel advised that the buffer is 163 feet, which is good to go. The buffer had to be at least 150 feet.

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

Mary Bott discussed the financials with Board. She will void the per diem checks for President Nathan Neese and Joel DeSpain due to their absence. A funding request has been submitted and should be received next week. At that time, Ms. Bott will release the checks. Mrs. Bott discussed the end of the fiscal year as being September 30<sup>th</sup>. The auditors will probably want to present the audit at the January meeting. After discussion, motion was made by Vice President Vince Terracina and seconded by David Bosco to approve payment of the per diems and invoices as presented. The motion carried unanimously.

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

This is a standing item and there was no discussion.

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

Dennis Lozano reported that the bid documentation was included in the agenda package for consideration. The award of contract is for Reunion Ranch Phase 2, Section 1, Street Excavation, Water, Wastewater, Drainage & Erosion Control Improvements. As stated above, in the developer's report Michael Slack was in favor of the award to Central Road & Utility as the low bidder. There were a total of 7 bids received. After discussion, motion was made by Bubba Sykes and seconded by Vice President Vince Terracina to approve the award of contract to Central Road & Utility for the aforementioned project. The motion carried unanimously.

14. SAVE OUR SPRINGS OPEN RECORDS REQUEST

Attorney Mike Willatt discussed receiving an open records request by Save Our Springs in connection with the effluent irrigation and soil test results. Mr. Willatt wrote a letter to the Attorney General on his belief that the information requested is privileged and is a request in advance to litigation. In connection with their comments on the permit, they must have standing. SOS is saying that the District is leaking effluent into Bear Creek. SOS raised the same issue when the permit was first applied for. The TCEQ later tossed out its complaint. Mr. Willatt will report back to the Board when the Attorney General has ruled on the issue. No action was needed.

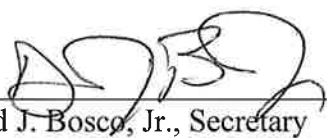
15. ADJOURN

Vice President Vince Terracina adjourned the meeting.

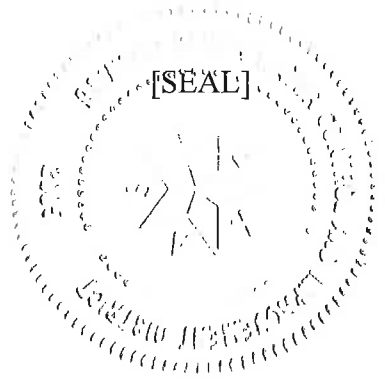


Nathan Neese, President  
Reunion Ranch WCID

ATTEST:



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



# Meeting of Board of Directors of Reunion Ranch Water Control and Improvement District, October 21, 2014

## Citizen comments:

### 1. RR WCID

- a) What exactly does WCID do in RR?
- b) Why does RR have private water?
- c) Why does the county/city not provide RR water?
- d) We were notified of water testing violation? What was the penalty? What has been done to assure this does not occur again?
- e) Who is responsible for informing RR buyers of the WCID tax rate and/or changes? It is not in Severn Trent New Service Agreement. Do the residents in RR have a vote on this?
- f) Will the tax rate change as new residences are completed?
- g) Is RR WCID responsible for water treatment, parks, amenity center, pool, common areas? If so, common area watering is absurdly wasteful and not mindful of time of day, recent rain activity, or overspill watering.
- h) If RR WCID is responsible for the above items in g), what is the timeframe for completion of each?

### 2. COST OF WATER

- a) How long will the drought surcharge be added?

### 3. QUALITY OF WATER

- a) Who is responsible for the treatment of RR water?  
The water is very hard with high mineral content affecting appliances, cleaning of dishes, clothes, and scum residue on surfaces where water use.
- b) High mineral content in tap water very obvious.

Thank you for this opportunity to speak to the Board.

Gloria Auth

RR Resident