

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A special 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 November 14, 2017 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
Tom Rogers - Secretary
George “Bubba” Sykes – Assistant Secretary
Dan Pawlik – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Bryce Canady with Murfee Engineering, Tricia Melton with Bott & Douthitt, Kristi Hester with ST, Michael Slack with Taylor Morrison and Jimmy Romell with Maxwell Locke & Ritter.

3. CITIZEN COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes 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 Tom Rogers to approve the October 17, 2017 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

Developer Michael Slack reported that 247 homes have been sold to date. The average appraised value within the District is \$505,155. The breakdown of sales are as follows: 53 60' lots, 105 70' lots, 39 80' lots and 51 90' lots.

Mr. Slack reported that a pre-construction meeting was held on Phases 3-2, 3-5 and 2-4. All the erosion controls have been installed. The land clearing should commence tomorrow and a completion date is scheduled for April/May 2018.

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 Bryce Canady filled in for Dennis Lozano. Mr. Canady discussed the engineering report as included in the agenda package. Phases 2-4, 3-2 and 3-5 are under construction.

The bond sale is proceeding to closing as scheduled.

The final TLAP major amendment application was filed with the TCEQ and the TCEQ submitted its administrative comments, which are being reviewed by his office.

As previously reported, the wastewater flow projections are holding steady. The wastewater treatment plant expansion is anticipated for 2022.

7. RESOLUTION IN CONNECTION WITH THE TEXAS LAND APPLICATION PERMIT MAJOR AMENDMENT

Attorney Bill Flickinger discussed the need to ratify and confirm any and all prior actions in connection with the TLAP major amendment application. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to adopt the Resolution in Connection with Texas Land Application Permit Major Amendment Application as presented. The motion carried unanimously.

8. BOND REIMBURSEMENT AUDIT RELATED TO THE ISSUANCE OF THE DISTRICT'S SERIES 2017 UNLIMITED TAX BONDS, AND AUTHORIZATION TO DELIVER THE BONDS AND DISTRIBUTE THE FUNDS IN ACCORDANCE WITH SUCH AUDIT

Auditor Jimmy Romell presented the final bond reimbursement audit for consideration. Mr. Romell discussed the items of reimbursement to Taylor Morrison, which include Phases 2-1, 2-2 (partial) and the remainder of 1B. There are also surplus funds available from the 2015 and 2016 bond issues. After discussion, motion was made by Tom Rogers and seconded by President Nathan Neese to approve the bond reimbursement audit as presented and authorize the delivery of funds as outlined in the report. The motion carried unanimously.

The bond closing is scheduled for Thursday, November 16th.

9. ANY AND ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 3RD BOND ISSUE

There was no further discussion on this matter.

10. AMENDED INFORMATION FORM

Attorney Bill Flickinger advised that the District's Amended Information Form was revised due to the current bond issue. The form will be filed with the TCEQ and recorded with the Hays County Clerk as required. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Tom Rogers to approve the Amended Information Form as presented. The motion carried unanimously.

11. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution and Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints

Manager Kristi Hester discussed the manager's report with the Board. A total of 264 accounts were billed in October. The monthly average for residential water consumption in October was 15,451 gallons.

In regard to the collections report, there were five delinquent letters mailed out, two door tags hung and one disconnect for non-payment. Service has been restored to that residence due to payment.

The water quality monitoring is trending well. The averages dropped down a bit in October. The annual water accountability is 98.64%, which is very good.

The wastewater plant is operating at 50% capacity and is in full compliance.

In regard to maintenance items, Mrs. Hester reported that an air leak valve was repaired at a cost of \$2,600. There were also two months worth of sludge hauling and lab sampling included in the invoice. Approximately \$13,000 is a pass-thru cost.

Mrs. Hester advised that Severn Trent will have a new name in December. She will report further on this matter at that meeting.

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

Bookkeeper Tricia Melton filled in for Allen Douthitt. Mrs. Melton presented and discussed the financials with the Board. Today's consideration will include vendor payments, per diems, a fund transfer and the Quarterly Investment Report. Due to service revenues, the District has a positive variance with the budget. After discussion, President Nathan Neese entertained a motion. Motion was made by Vince Terracina and seconded by Tom Rogers to approve the payment of the invoices, per diems and the fund transfer from the TexPool operating account to the First Citizens operating account as presented. The motion carried unanimously. Motion was then made by Vince Terracina and seconded by Tom Rogers to approve the Quarterly Investment Report 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

Developer Michael Slack presented and recommended approval of the following pay estimate:

Pay Estimate No. 8 (Final/Retainge) in the amount of \$57,979.80 in connection with Reunion Ranch Phase 2, Section 5 submitted by Cornerstone Site Services.


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

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

This item is a standing item and no discussion was had.

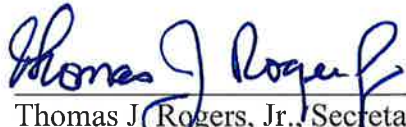
15. ADJOURN

President Nathan Neese adjourned the meeting.

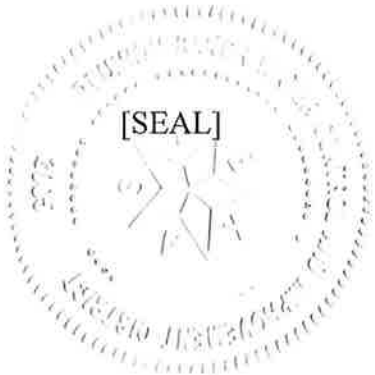


Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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



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