

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 on November 15, 2016 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:

Nathan Neese - President  
Vince Terracina – Vice President  
David Bosco, Jr. - Secretary  
George “Bubba” Sykes – Assistant Secretary

thus constituting a quorum. Assistant Secretary Mike Ehrhardt was absent.

Also present at the meeting were Bill Flickinger with Willatt & Flickinger, PLLC, Michael Slack with Taylor Morrison, Bryce Canady with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Garry Kimball with Specialized Public Finance, Clayton Chandler with McCall Parkhurst and Jeniffer Concienne with Willatt & Flickinger, PLLC.

3. CITIZEN COMMENTS

There were no citizen comments made at the meeting.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes were included in the agenda package for consideration. Motion was made by David Bosco and seconded by George Sykes to approve the October 18, 2016 special 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 discussed sales within the District. There have been 187 lots sold to date. The average sales price in the District is \$499,988. There have been 31 60' lots sold, 86 70' lots, 20 80' lots and 50 90' lots sold.

Mr. Slack reported on the progress of the bids for Phase 2, Section 5. That project was bid out last week. After reviewing the bids, Cornerstone is the apparent low bidder. Mr. Slack wants to perform some due diligence before recommending a decision. He will bring this matter to the Board at its next meeting.

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 discussed the report as included in the agenda package. Phase 3, Section 1 is under construction. Mr. Canady discussed the wastewater flows projections and reported that the District is on trend.

7. RULEMAKING PROCEEDING AT TCEQ REQUESTED BY CITY OF AUSTIN TO AMEND TCEQ RULES IN 30 TAC CHAPTERS 222 AND 309- REUSE OF TREATED WATER

Engineer Bryce Canady stated that he has no updates in connection with the rulemaking proceeding at the TCEQ.

8. CONSIDERATION AND ACTION WITH RESPECT TO RECEIVING BIDS AND AWARDED SALE OF THE \$3,700,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2016

Financial Advisor Garry Kimball discussed the four bids that were received in connection with the bond sale. RBC Capital Markets was the low bidder. The market is up with regard to interest rates, but the District is still good with the TCEQ. He is hopeful that the next bond issue can be rated and get a lower interest rate. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the bid award of RBC Capital Markets. The motion carried unanimously.

9. CONSIDERATION AND ACTION WITH RESPECT TO "ORDER AUTHORIZING THE ISSUANCE OF \$3,700,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2016; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AWARDED THE SALE OF THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS"
10. CLOSING PROCEDURES FOR THE \$3,700,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2016 AND ANY OTHER MATTERS RELATED TO THE BONDS

Items 9 and 10 were heard together. Bond Attorney Clayton Chandler discussed the order as included in the agenda package. The order will be updated to include the information from the bid. The transcript will be prepared and submitted to the Attorney General for review and approval. Once approved, the closing will occur on December 22<sup>nd</sup> and funding will be released. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to adopt the Order Authorizing the Issuance of \$3,700,000 Reunion Ranch Water Control and Improvement District Unlimited Tax Bonds, Series 2016; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Paying Agent/Registrar Agreement; Awarding the Sale of the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds. The motion carried unanimously.

11. ANY OTHER ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 2<sup>ND</sup> BOND ISSUE

This is a standing item and there was no discussion.

12. 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

Manager Kristi Hester was not in attendance.

13. ASSESSMENT OF PENALTIES AND WATER CHARGES FOR UNAUTHORIZED USE OF WATER AT 258 MARY ELISE WAY

In Kristi Hester's absence, Michael Slack reported on the plumber that hooked up a meter jumper. Attorney Bill Flickinger discussed the notice and fines for this type of matter. Mr. Slack said the plumber has been put on notice and this matter has been taken care of. No further action is needed.

14. 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. Mr. Douthitt explained that the dollar amounts were transposed on the invoice report for the AT&T and PUA, however the checks were written correctly. He will update the report and send a copy to Jeniffer Concienne for the District's files. Mr. Douthitt will void Mike Ehrhardt's per diem due to his absence. There was discussion of the need to move the surplus funds so as to not hold up closing and Mr. Douthitt has a letter of authorization for that action. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the payment of the invoices and per diems and the fund transfer as presented. The motion carried unanimously.

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


This item is a standing item and was not discussed.

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


This item is a standing item and was not discussed.

17. ADJOURN

President Nathan Neese adjourned the meeting.

  
\_\_\_\_\_  
Nathan Neese, President  
Reunion Ranch WCID

ATTEST:

  
\_\_\_\_\_  
David Bosco, Jr., Secretary  
Reunion Ranch WCID

[SEAL]

\\ReunionRanch\minutes\11-15-16  
12/13/16