

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 November 17, 2015, 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, Vince Terracina, Bubba Sykes and Joel DeSpain, thus constituting a quorum. Secretary David Bosco was absent.

Also present at the meeting were Michael Slack, Dennis Lozano, Mike Willatt, Bill Flickinger, Mary Bott, Kristi Hester, Garry Kimball, Frank Krasovec, Clayton Chandler and Jeniffer Concienne.

3.     CITIZEN COMMENTS

No citizens were present.

4.     MINUTES OF PRIOR MEETING

The minutes of the prior meeting 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 Bubba Sykes to approve the minutes of the October 20, 2015 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 on the sales within the District. There have been 128 homes sold to

date and the average sales price of homes within the District is \$493,759.

Phase 2, Section 3, the 39 custom lot section was paved two weeks ago. The PEC is hooking up power to test the lines.

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, HOME BUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES

Engineer Dennis Lozano reported there is not too much going on this month. The comments have been wrapped up in regards to the District's major amendment. Now, the process will be to issue notice of the major amendment and hope that no protests are received. Mr. Lozano discussed reaching out to potential protesters beforehand. Vince Terracina asked if he anticipates any protests. Mr. Lozano said that SOS protested during the first renewal application in 2014 and were not granted standing at that time and if they protest again, should not have standing this time as well.

7. CONDUCT A PUBLIC HEARING ON A PROPOSED PLAN OF TAXATION

President Nathan Neese opened the public hearing in regards to the proposed plan of taxation. Hearing no comments, President Neese closed the public hearing.

8. CONSIDERATION AND ACTION WITH RESPECT TO "ORDER ADOPTING PLAN OF TAXATION"

Attorney Clayton Chandler discussed the Plan of Taxation with the Board. The Notice of Public Hearing was published in the San Marcos Daily Record. Mr. Chandler stated that pursuant to Section 51.502 of the Water Code, the District conducted and concluded the public hearing to determine the basis upon which taxes within the District are to be levied, assessed and collected. Attorney Mike Willatt discussed same with the Board. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Joel DeSpain and seconded by Bubba Sykes to approve the Order Adopting Plan of Taxation as presented. The motion carried unanimously.

9. CONSIDERATION AND ACTION WITH RESPECT TO RECEIVING BIDS AND AWARDED SALE OF THE \$3,500,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2015

10. CONSIDERATION AND ACTION WITH RESPECT TO "ORDER AUTHORIZING THE ISSUANCE OF \$3,500,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2015; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE

EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A  
BLANKET ISSUER LETTER OF REPRESENTATIONS; AWARDING THE SALE  
OF THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE  
ISSUANCE OF THE BONDS

11. CLOSING PROCEDURES FOR THE \$3,500,000 REUNION RANCH WATER  
CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS,  
SERIES 2015 AND ANY OTHER MATTERS RELATED TO THE BONDS

Items 9 through 11 were discussed together. Financial Advisor Garry Kimball discussed the 5 bids that were received. Mr. Kimball advised that this is the first time that he has gotten 5 bids on a non-rated issue. First Southwest was the low bidder at 3.985017%. The closing is scheduled for December 17<sup>th</sup>. At the December board meeting, the Board will consider the reimbursement audit prior to funding. Attorney Clayton Chandler presented the updated Order that includes all the pricing terms. After discussion, motion was made by President Nathan Neese and seconded by Joel DeSpain to award the sale of bonds to First Southwest and adopt the Order Authorizing the Issuance of \$3,500,000 Reunion Ranch Water Control and Improvement District Unlimited Tax Bonds, Series 2015; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Paying Agent/Registrar Agreement and a Blanket Issuer Letter of Representations; Awarding the Sale of the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds as presented. The motion carried unanimously.

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

Manager Kristi Hester reported on the operations and maintenance of the District for the October billing cycle. There was a 100% water accountability. All is in compliance at the wastewater plant and it is running at 24% capacity. Mrs. Hester reported on obtaining a secondary alarm system at the lift station, which should be completed in a couple of weeks. The alarm system will be activated in case of any power failure or any other situation to avoid a spill. Mrs. Hester also stated that the residents are working hard on conserving water in regards to winter averaging. There is one account delinquent past 120 days.

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

Mary Bott discussed the financials with the Board and presented an updated cash activity report. The per diem for David Bosco will be voided due to his absence. October 1<sup>st</sup> is the beginning of the fiscal year for the District. Mrs. Bott discussed the tax collections. Joel DeSpain

asked about the check for DeNucci and Engineer Dennis Lozano indicated that is the return of the deposit for the construction meter. After discussion, motion was made by President Nathan Neese and seconded by Joel DeSpain to approve payment of the per diems and invoices as presented. The motion carried unanimously.

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

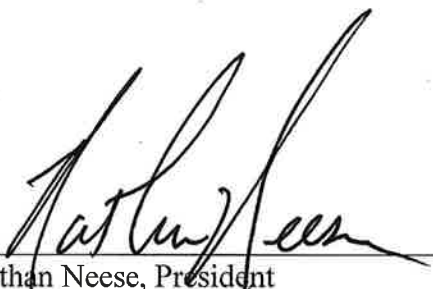
This is a standing item and there was no discussion.

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

This is a standing item and there was no discussion.

- 16. ADJOURN


President Nathan Neese adjourned the meeting.



---

Nathan Neese, President  
Reunion Ranch WCID

ATTEST:



---

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

[SEAL]

