

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 18, 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 Nathan Neese, Vince Terracina, David Bosco, Bubba Sykes and Joel DeSpain, thus constituting a quorum. All Directors were present.

Also present at the meeting were Bill Flickinger, George Murfee, Michael Slack, Kristi Hester, Mary Bott, Frank Krasovec, Gloria Auth and Jena Bennett and Jeniffer Concienne.

3. CITIZEN COMMENTS

Gloria Auth asked about what has been done about the water hardness. Jena Bennett explained that the water was tested at her house and there was no chlorine level present. The neighbors are also talking about the brown water, high taxes and high water bills. Michael Slack stated that they have to be notified of the bad water immediately. Manager Scott Manuel reported that the PUA made some recent changes to the water system and it has been difficult to maintain the chlorine residual. Joel DeSpain asked if when the District is built out, will the chlorine residual be more manageable. Mr. Manuel advised absolutely. Manager Kristi Hester also stated that they can take an on-site chlorine test anytime and the results will be posted on the TCEQ website. She reiterated to call ST immediately with any problems. Mrs. Kristi advised that if a resident is receiving a \$1,500 water bill, it is most likely going to be a leak/plumbing issue. President Nathan Neese stated that the chlorine level is good at the delivery point but begin to diminish down the line. The PUA has other areas having the same problem. Ms. Bennett inquired about the excess water being used around the District and if it could be contained or diverted instead of running down the street. Mr. Manuel advised that the PUA will be reimbursing the District for the flushing that the District has to do.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by David Bosco and seconded by Vince Terracina to approve the minutes of the October 21, 2014 meeting as presented. The motion carried unanimously.

5. HAYS COUNTY TAX COLLECTION & TAX EXEMPTION FOR 65 AND OLDER

Gloria Auth presented a handout on tax concerns. She and the other residents would like the Board to consider tax exemption for the disabled and over 65 residents living in the District. Vince Terracina discussed the fact that if an exemption was granted, it would increase the taxes for all others within the District. Michael Slack stated that he was discussed this matter with the District's financial advisor and he advised that it would just shift the burden to all other residents of the District and he highly discourages it. Ms. Auth asked if the Board would then consider a freeze or a reduction instead of an exemption. There was discussion of the fact that the District will only contain 526 homes at buildout and it will not have enough tax base to absorb the exemption, freeze or reduction. Michael Slack also advised that when the tax rate was considered it was competitive with other entities in the area. Attorney Bill Flickinger advised that he is recommending no action on this matter today.

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

Michael Slack reported on the development of the District. To date, there have been 81 homes sold. The average home price is \$494,177. Mr. Slack reported on Phase 2, Section 1 which is the bridge and remainder of the boulevard. The contractor is making good progress and it should be completed in March. The amenity center is progressing and going vertical. It should be open in the spring time. Phase 2, Section 3 will contain 39 lots and should be in bid in December/January and construction should commence in February.

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 George Murfee advised that they are working on several projects for the District, which are the permit renewals for the wastewater treatment plant, lift station project and

the District's first bond issue. As stated before, the Save Our Springs Alliance filed a complaint regarding the wastewater treatment plant permits. TCEQ responded and advised that SOS has no standing. Mr. Murfee plans on turning the bond application into the TCEQ in December.

8. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 1ST BOND ISSUE

Engineer George Murfee advised that he will need the Resolution authorizing the bond application to the TCEQ ready for next month's meeting.

9. 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 Scott Manuel discussed his report with the Board. Mr. Scott reported that a tree limb fell in the drip fields and needs to be removed. There are also several other limbs that have died and will probably fall as well. The cost to remove the fallen limb and clean up the others will be approximately \$2,300. He asked the Board authorize the work. Motion was then made by Joel DeSpain and seconded by President Nathan Neese to authorize ST to do the cleanup for \$2,300. The motion carried unanimously. Mr. Manuel also reported that the PUA is planning to do a burn out of the water system. When this occurs, the residents will be given notice approximately 2 weeks in advance. This will probably occur the first of January. There will be a noticeable change in the water for a day or two, which will possibly include change in taste and odor. Continuing on in his report, the District had a 10% water loss this period. There were no issues on the wastewater plant. The plant is running at 14% capacity. The District has 91 connections, including 65 residences. Bubba Sykes reiterated that the maintenance expenses are high again and really beginning to add up. Mr. Manuel stated that this should be the last month that these issues should occur. Wastewater Solution reportedly repaired the problem with the pumps and back wash cycle but it did not take. Michael Slack asked that before ST does any maintenance work, that they should contact him prior to doing it. Mr. Slack will also on the maintenance bond term for that project.

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

Mary Bott discussed the financials with Board. Mrs. Bott reported on two fund transfers, one to the bookkeeper's account and the other from the tax account to the operating account. October started in the new fiscal year for the District. Mrs. Bott stated that the District has a \$45,000 positive variance in the budget due to the revenue side. A lot schedule was also included in the bookkeeper's report that shows all the lots developed to date. Michael Slack asked if there is a year to year comparison. Mrs. Bott advised that she could prepare one for him.

After discussion, motion was made by President Nathan Neese and seconded by David Bosco to approve payment of the per diems, invoices and fund transfers as presented. The motion carried unanimously.

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

Michael Slack discussed and recommended approval of the following two pay estimates:

Pay Estimate No. 1 submitted by Central Road and Utility, Ltd. in the amount of \$178,017.75 for Reunion Ranch Phase Two, Section One, Street Excavation, Water, Wastewater, Drainage and Erosion Control; and

Pay Estimate No. 2 submitted by Central Road and Utility, Ltd. in the amount of \$297,467.10 for Reunion Ranch Phase Two, Section One, Street Excavation, Water, Wastewater, Drainage and Erosion Control. After discussion, motion was made by Bubba Sykes and seconded by Vince Terracina to approve payment of the foregoing pay estimates as presented. The motion carried unanimously.

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

Michael Slack discussed the bid tab for Phase 2, Section 2A which is the first group of lots on the south side of the creek. There will be 122 lots which will consist of 60', 70' and 80' lots. There were seven bidders on the project. DeNucci was the low bidder. Mr. Slack reported that Taylor Morrison has never worked with DeNucci but they have good references and he is recommending the award of project to them. After discussion, motion was made by Bubba Sykes and seconded by Vince Terracina to approve the award of contract to DeNucci for the aforementioned project. The motion carried unanimously.

13. SAVE OUR SPRINGS OPEN RECORDS REQUEST


Attorney Bill Flickinger advised that this item can be taken off the agenda. No action was needed.

14. ADJOURN

President Nathan Neese adjourned the meeting.


~~Nathan Neese, President~~ **Vince Terracina**
Reunion Ranch WCID *VP*

ATTEST:



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

