

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

The special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held on November 19, 2012, 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 Todd Janssen, Vince Terracina, David Bosco, Bubba Sykes and Nathan Neese, thus constituting a quorum. All Directors were present.

Also present at the meeting were Michael Slack, Mike Willatt, Jeniffer Concienne, Mary Bott, Bart Fowler, Kristi Hester, Scott Manuel and Robin Melvin.

3. CITIZEN COMMENTS

There were no citizen comments.

President Janssen then moved to Item No. 13.

13. PROFESSIONAL SERVICES CONTRACT BETWEEN THE DISTRICT AND SEVERN TRENT ENVIRONMENTAL SERVICES, INC.

Kristi Hester introduced herself and Scott Manuel. Ms. Hester presented the original contract in duplicate to be executed. There were some changes made in connection with the wastewater plant fees. There was discussion on the tariff and Ms. Hester will get with George Murfee on that matter. Michael Slack indicated that approximately 7 meters will be requested soon, if they have not already been requested. After discussion, President Todd Janssen entertained a motion for acceptance. Motion was made by Nathan Neese and seconded by Vince Terracina to accept the Professional Services Contract between the District and Severn Trent as presented and authorize its execution by the President. The motion carried unanimously.

4. MINUTES OF PRIOR MEETING

The minutes of the prior meeting were included in the agenda package for consideration. Motion was made by President Todd Jansen and seconded by David Bosco to approve the minutes of the October 16, 2012 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 construction progress within the District. The front half of the boulevard has been paved. The contractors are about to start construction on 5 spec homes. Mr. Slack also reported the status of the wastewater treatment plant and off-site facilities. Both of those projects are close to being wrapped up. There are two models homes being framed up. Bubba Sykes asked about the when the houses could be hooked up. Mr. Slack stated that by the end of December they could be connected. There was also discussion of pump and haul services if need be.

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 George Murfee was not present.

7. DISTRICT'S TARIFF

This item was briefly discussed above.

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

Mary Bott discussed the financials and the updated cash activity report. Since a District audit is not required, the Annual Financial Report was filed with the TCEQ by the deadline, which was November 15th. After discussion, President Todd Janssen entertained a motion for approval. Motion was made by Nathan Neese and seconded by Bubba Sykes to approve payment of bills and invoices as presented. The motion carried unanimously.

9. ANY OTHER MATTER RELATING TO THE NOVEMBER 6, 2012 ELECTION, INCLUDING CANVASS OF THE RETURNS

Attorney Mike Willatt reported on the election mishap. The District's only voter voted during early voting. On election day, the election clerks gave the wrong ballot to two voters that were ineligible to vote in the District's election, due to not living within the District. One voter voted against the bond propositions and the other declined to vote. Therefore the official results were 1 for and 1 against, therefore the bond propositions failed. Attorney Robin Melvin, who represents Taylor Morrison and the District's voter discussed the procedures to contest the election and the necessary lawsuit against President Todd Janssen in his capacity as Board President. Mr. Willatt and Ms. Melvin stated that there is no provision in the law that allows the election administrator or the District to change the election outcome and canvass returns that are not officially documented. There was discussion as to why the President will be sued and not the entire Board. The Election Code states that the suit will be brought against the presiding officer. Once President Janssen is ok with the filing of the lawsuit, then it will be filed. Only the District Judge can declare the correct results once all the evidence has been presented and reviewed. The election administrator has executed a detailed affidavit as well as the voter stating that the voter voted in favor of the propositions and the election day vote was in error. Ms. Melvin is hopeful that this can be heard on the uncontested docket in a timely manner. President Janssen and Ms. Melvin discussed a letter that Ms. Melvin drafted to explain the lawsuit against him in his capacity of Board President of the District in detail for Mr. Janssen's records.

10. ORDER CANVASSING ELECTION RETURNS

Attorney Bart Fowler introduced himself to the Board. Mr. Fowler is bond counsel for the District. Mr. Fowler reiterated some of the details shared by Mr. Willatt and Ms. Melvin regarding the lawsuit to declare the correct results of the election. All of this information will need to be submitted to the Attorney General when it is time to issue bonds. He stated that the Board will need to canvass the results as issued by Hays County, even though they are incorrect. The Board will not need to recanvass the results, as the lawsuit will take care of the correct results. After discussion, motion was made by George Sykes and seconded by Nathan Neese to adopt the Order Canvassing Election Returns 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 three pay estimates as included in the agenda package, and a change order. After discussion, motion was made by Vince Terracina and seconded by David Bosco to approve the following pay estimates and change order as presented:

- Pay Estimate No. 5 in the amount of \$233,166.47 in connection with the FM 1826 16" Water Line Improvements submitted by Nelson Lewis, Inc.; and

- Pay Estimate No. 5 in the amount of \$199,153.61 in connection with the RR Phase 1A Water, Wastewater and Drainage Improvements submitted by Nelson Lewis, Inc.; and
- Change Order No. 1 in the amount of \$30,844.00 in connection with the RR Phase 1A Water, Wastewater and Drainage Improvements submitted by Nelson Lewis, Inc., and
- Pay Estimate No. 5 in the amount of \$420,392.71 in connection with the RR Phase 1A - Wastewater Treatment Plant submitted by Waste Water Solutions.

The motion carried unanimously.


Bubba Sykes asked about the remaining amounts due from each project and Mr. Slack discussed that with the Board. The projects are on budget and ahead of schedule at this time.


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

This item was not discussed.


14. ADJOURN

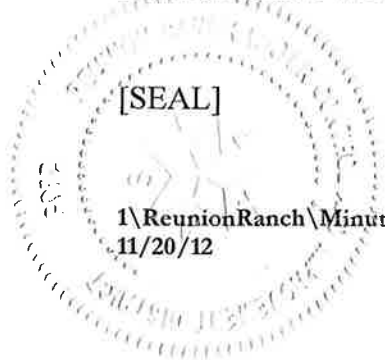
President Todd Janssen adjourned the meeting.


 Todd Janssen, President
 Reunion Ranch WCID


 Vince Terracina, VP

ATTEST:


 David J. Bosco, Secretary
 Reunion Ranch WCID



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