

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 19, 2013, 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 Michael Slack, Dennis Lozano, Mike Willatt, Jeniffer Concienne, Mary Bott, Scott Manuel and Frank Krasovec.

Jeniffer Concienne conducted the meeting.

3. CITIZEN COMMENTS

There were no citizen comments.

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 23, 2013 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 last phase. They are wrapping up on the final punch list. This

phase should begin construction next month and finish by the first of the year. Mr. Slack discussed the bridge, 122 lots and the treatment plan on the backside of the project. The plans should be ready within the next 90 days and it is hoped to start construction on the bridge in August/September. The amenity center is moving forward as well. There have been 34 sales to date. The average price is \$465,000. Joel DeSpain asked about how long the bridge would take to construct. Mr. Slack said about 6 to 7 months. Frank Krasovec asked about the sales within the District. Vince Terracina commented that the rains caused the creek to raise quite a bit. Mr. Slack asked about the status of the 210 permit. Dennis Lozano advised that he should have it in hand by the end of the year. He already received comments, replied to those comments and received technical completeness confirmation from the TCEQ. Mr. Slack also discussed the need to check with Hays Central Appraisal District to be sure that the District is on file in preparation for the adoption of the tax rate in August/September. Attorney Mike Willatt will check on it and he will ask Garry Kimball to do so as well.

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 Dennis Lozano reported that the 1826 water line is up and running. Attorney Mike Willatt advised that he compiled all of the easements that have to be assigned to the PUA. Mr. Willatt will continue working on this project.

7. ALL MATTERS CONCERNING THE DROUGHT CONTINGENCY PLAN AND WATER CONSERVATION PLAN, INCLUDING PUBLIC HEARING

President Nathan Neese opened the public hearing on the Water Conservation Plan. Hearing no comments, President Neese closed the public hearing.

Dennis Lozano indicated that back in February 2012, the Board adopted a Water Conservation Plan. That plan has been updated to satisfy the LCRA and will need to be considered by the Board. There was discussion of the high water users in the District. Currently there are four customers that use over 40,000 gallons. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Joel DeSpain to adopt the Water Conservation Plan as presented. The motion carried unanimously.

The Drought Contingency Plan will also need to be amended. Mr. Lozano will begin working on that and have it ready for consideration around the first of the year.

8. OPERATIONS AND MAINTENANCE REPORT

Scott Manuel discussed his report. The master meter was not working properly and it has now been fixed. That could have been part of the water loss. There was a 19% water loss this

period. As discussed at last month's meeting, the disinfection system was overlooked in the plans and he is working with Wastewater Solution to fix this problem. The disinfection will be a bleach system. There are a few accounts that are in 60-day arrears. If those accounts are not paid, they can be cut. Mr. Manuel also discussed the fact that he can customize his report if the Board would like to see any further information on the District. If so, please let me know and he will incorporate the requested information. Mr. Manuel then discussed and presented a draft Stage 2 drought notice. This notice can be inserted with the water bill and/or they can place signs within the District. Michael Slack said that he would need to review the notice in more detail before it is sent out.

9. TERMINATION OF LOCK BOX

Scott Manuel advised that they were using a lock box for billing and now that they have a new billing system, the lock box is no longer needed. Mr. Manuel discussed the letters and Addendum to Card Services Agreement as included in the agenda package. After discussion, motion was made by David Bosco and seconded by Joel DeSpain to approve termination of the lock box service. The motion carried unanimously. Mr. Manuel will provide final execution versions of the letters and addendum at the next meeting.

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

Mary Bott discussed the bookkeeper's report and presented an updated cash activity report. Ms. Bott advised that the billing error with the PUA has been corrected and a true-up has been done. New signature cards were presented to allow for Joe DeSpain to be a signer on the District account and remove Todd Janssen. There was discussion of the insurance premium and when it was actually paid versus what was budgeted for. After discussion, motion was made by Vince Terracina and seconded by David Bosco to approve payment of the per diems, invoices and transfer to the bookkeeper's account. The motion carried unanimously.

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

This item was not discussed.

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

Michael Slack reported that bids were opened this morning on Phase 1C. This is the last phase on this side of the creek. DNT was the low bidder. The engineering has not yet certified the bid tabulation. However, he would like to go ahead and ask the Board to consider the award subject to the certification by the engineer. Motion was made by Joel DeSpain and seconded by David

Bosco to award the Phase 1C project to DNT Construction subject to the certification of the bid tabulation by the engineer. The motion carried unanimously. Mr. Slack will provide the full bid tabulation in the next agenda package for the District's review and ratification.

13. CONVEYANCE OF PHASE IV PIPELINE AND ASSIGNMENT OF RELATED EASEMENTS TO WEST TRAVIS COUNTY PUA


Attorney Mike Willatt assembled all of the easements to be conveyed to the PUA. Mr. Willatt will contact Stefanie Albright on this matter. Michael Slack discussed the possibility of paying for line up front and then using the balance as a credit against impact fees.

14. AUDITOR'S INQUIRY WITH THOSE CHARGED WITH GOVERNANCE


Attorney Mike Willatt discussed the auditor's questionnaire for those charged with governance. This will be the District's first audit. The auditor issues this questionnaire in connection with fraud measures. The responses provided indicate that the District relies on the auditor to determine if fraud has occurred. After discussion, motion was made by Bubba Sykes and seconded by Vince Terracina to authorize the President to execute the completed questionnaire as presented. The motion carried unanimously.

17. ADJOURN

President Nathan Neese adjourned the meeting.


Vince Terracina, Vice President
Reunion Ranch WCID

ATTEST:


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

