

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 at 2:00 p.m. on December 17, 2019 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, 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
Thomas J. Rogers, Jr. – Secretary
George “Bubba” Sykes – Assistant Secretary
Dennis Daniel – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano and Simone Guidry with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis with Inframark, LLC, Mike Moyer with Taylor Morrison and Tara Hojnacki with Maxwell Locke & Ritter.

3. PUBLIC COMMENTS

No citizens were present.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval of the Minutes. Motion was made by Dennis Daniel and seconded by Vince Terracina to approve the November 19, 2019 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

Mike Moyer reported on the homebuilding metrics. A total of 414 homes have been sold to date with a total of 357 closed. The average sales price in the District increased to \$518,157. Mr. Moyer stated that Taylor Morrison has 68 lots remaining and Frank Krasovec has his 37 private lots left to be built on.

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

This item was not discussed.

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

This item was not discussed.

8. 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
A. PROPOSAL FOR WASTEWATER LINE INSPECTIONS

Engineer Dennis Lozano introduced Simone Guidry from his office. Mr. Lozano discussed his engineer's report.

In regard to the Notice of Violations issued from the TCEQ, Mr. Lozano is still looking into the sampling areas so that the District does not agree on something that might come back as an enforcement issue. The TCEQ is wanting the primary polling sample to be before the ground storage tank.

The wastewater plant expansion project has been expanded to include the entire treatment plant. Design is in the internal review stage and Mr. Lozano expects construction documents to be submitted in January.

The LCRA provided the Raw Water Contract Amendment document as previously discussed. This amendment will provide for 350 MAQ raw water reservation. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina

and seconded by Tom Rogers to approve the LCRA Raw Water Contract Amendment as presented. The motion carried unanimously. Mr. Lozano stated that his office would have the Amendment delivered to the LCRA for execution.

Mike Moyer wanted to discuss the possible rates for use of effluent by the HOA. Director Dennis Daniel advised that he would recommend that the HOA not be charged for use of effluent. The timing of use of effluent would most likely occur in 2021.

Mr. Lozano discussed the Edwards Aquifer Recharge Zone wastewater line inspections summary with the Board. The TCEQ requires regular evaluations of the lines that exist within the recharge zone. The inspections are required every 5 years. The process of the inspections will include placing a mobile camera inside the manholes to access a CCTV survey of the gravity sewer lines. There is a total of 28,628 linear feet of gravity sewer lines that require the CCTV inspection. There was discussion of doing all the inspections at the same time instead of over several years. Mr. Lozano recommends doing all at once. The first inspections are due in 2020. The Board will need to have a financial plan for this task. Mr. Lozano will work with Allen Douthitt to get a plan established. The total cost of inspection of all the lines will be \$63,000.

9. BOND REIMBURSEMENT AUDIT RELATED TO THE ISSUANCE OF THE DISTRICT'S SERIES 2019 UNLIMITED TAX BONDS, AND AUTHORIZATION TO DELIVER THE BONDS AND DISTRIBUTE THE FUNDS IN ACCORDANCE WITH SUCH AUDIT

Tara Hojnacki with Maxwell Locke & Ritter discussed the final Agreed Upon Procedure Report of Reimbursable Costs for the \$5,000,000 bond. The reimbursed sections include the remaining items in Phase 2, Section 5, Phase 3, Section 1 and impact fees. All the proceeds will be paid to Taylor Morrison. After distribution, \$449,209.38 will remain in surplus funds. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Vince Terracina to approve the Agreed Upon Procedures Report as submitted, authorize the Board President to make any necessary changes and authorize the distribution as stated in the report. The motion carried unanimously.

The bond closing is scheduled for December 19th.

10. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 5TH BOND ISSUE

No further discussion was had.

11. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

Director Dennis Daniel inquired about the completion schedule of the wastewater plant expansion. Engineer Dennis Lozano replied that it should be completed within the first quarter of 2021. Mr. Daniel wants to confirm that the odor plan is within that scope of work, which Mr. Lozano reported that he is working on that aspect currently. There was discussion of renting a

unit for the scrubber. Mr. Daniel advised that he would prefer the unit be rented. Further discussion will follow at the next meeting.

12. COMMITTEE REPORTS.

- a. Trail/Map/Ownership committee (Trail system within the District; Map of the District/HOA property; conveyances, easements and/or license agreements to the District or HOA from developer)
- b. PUA Rate committee

Director Dennis Daniel asked about the timing of the land transfers to the District. Mike Moyer advised probably the first quarter of the new year. He would like to the new management company in place first.

13. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Notice of Violations Issued by TCEQ dated August 5, 2019
- N. Maintenance Items in connection with Pre-Purchase Inspection Letter submitted by TCEQ

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

In regard to the District's water system, there is a total of 415 active connections. The average monthly water consumption was 7.5 million gallons. Water loss was measured at 1.25%.

The delinquencies for November are as follows: 38 letters were mailed out, 36 door tags were hung and disconnects are scheduled for December 20th. There was discussion of the high number of delinquencies. It could be the time of the holiday season and a lot of owners are out of town. Mr. Kennis reported that a curb stop was leaking and the water leak was repaired at 531 Katie Cove. Pursuant to the Board's request at last month's meeting, the meter at 715 Emma Loop was tested for accuracy and came back ok. This was the meter that registered 948,000 gallons of water consumption last month.

Mr. Kennis discussed the status of the District's wastewater system. The wastewater plant is operating at 74% capacity. Director Dennis Daniel reported that the work on the berm to divert the runoff from the amenity center parking lot was done in a sloppy manner and is unattractive.

The berm looks out of place in the District. The rocks that were placed on top are huge and very dirty. Mr. Daniel would like it cleaned up. Mike Moyer will drive out to the District and take a look.

14. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 16 ABOVE

This item was not discussed.

15. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

16. 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 with the Board. Today's consideration will include payment of vendor invoices, per diems and bond payments and authorization of a fund transfer. Mr. Douthitt reported that the District is on plan with its budget. The District's annual audit will be presented at the January meeting per the District's auditor. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Vince Terracina to approve payment of the vendor invoices, per diems and bond payments and authorization of a fund transfer as presented. The motion carried unanimously.

17. WEST TRAVIS COUNTY PUA MATTERS

This item was not discussed.

18. DISTRICT WEBSITE

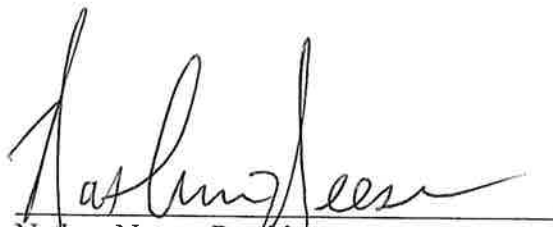
Jeniffer Concienne reiterated that the website is up and running and looks great. If the Board has any suggestions or comments, please let her know. Director Dennis Daniel advised that he would like to know what the viewer count is and would like to see the HOA link be added to the website. Mrs. Concienne advised that she would contact the website creator on these items.

19. DIRECTORS ELECTION/ ELECCIÓN DE DIRECTORES


Attorney Bill Flickinger discussed the upcoming directors election. Vince Terracina and Bubba Sykes are up for election. The first day to file for a place on the ballot is January 15th. No Board action is needed at this time.

20. ADJOURN

President Nathan Neese adjourned the meeting.


Nathan Neese, President
Reunion Ranch WCID

ATTEST:


Thomas J. Rogers, Jr., Secretary
Reunion Ranch WCID

