

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 on December 20, 2016 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 - President
Vince Terracina – Vice President
George “Bubba” Sykes – Assistant Secretary

thus constituting a quorum. Secretary David Bosco, Jr. and Assistant Secretary Mike Ehrhardt were absent.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Michael Slack with Taylor Morrison, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester with ST and Jimmy Romell with Maxwell Locke & Ritter.

3. CITIZEN COMMENTS

There were no citizen comments made at the meeting.

4. MINUTES OF PRIOR MEETINGS

Jeniffer Concienne stated that the Minutes were included in the agenda package for consideration. Motion was made by Vince Terracina and seconded by George Sykes to approve the November 15, 2016 special 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

Developer Michael Slack reported on sales within the District. There have been 190 lots sold to date. The average sales price in the District is \$500,000. There have been 33 60' lots sold, 86 70' lots, 21 80' lots and 50 90' lots sold.

The contractor, Joe Bland is in the middle of utility construction on Phase 3, Section 1.

Phase 2, Section 5 will need to be awarded to Cornerstone later on in the meeting.

Frank Krasovec inquired about sales. Mr. Slack indicated that there are about 5 or 6 more sections left to build on in the District, which will be about 160 more lot.

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 discussed his report as included in the agenda package. As stated above, Phase 3, Section 1 is under construction followed by Phase 2, Section 5.

Mr. Lozano indicated that the bond issue is set to close as scheduled.

Mr. Lozano also discussed the wastewater flow projections and reported that it shows a new plant will be needed in 2020.

7. DECLARATION OF SURPLUS EASEMENT PROPERTY; PARTIAL RELEASE OF EFFLUENT DISPOSAL EASEMENT

Engineer Dennis Lozano reported that he was contacted by Taylor Morrison on some encroachments on some of the lots. The solution is to release some of the original effluent disposal easement so that they can deeper the lots. A 15' strip will be released to extend some of the lots. Mr. Lozano confirmed that this release would not affect the TLAP permit. After discussion, motion was made by Bubba Sykes and seconded by President Nathan Neese to declare that portion as surplus and approve the Partial Release of Effluent Disposal Easement back to Taylor Morrison. The motion carried unanimously.

8. RULEMAKING PROCEEDING AT TCEQ REQUESTED BY CITY OF AUSTIN TO AMEND TCEQ RULES IN 30 TAC CHAPTERS 222 AND 309- REUSE OF TREATED WATER

Engineer Dennis Lozano had no update to report.

9. ANY OTHER ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 2ND BOND ISSUE

The bond issue is set to close on December 22.

10. BOND REIMBURSEMENT AUDIT RELATED TO THE ISSUANCE OF THE DISTRICT'S SERIES 2016 UNLIMITED TAX BONDS, AND AUTHORIZATION TO DELIVER THE BONDS AND DISTRIBUTE THE FUNDS IN ACCORDANCE WITH SUCH AUDIT

Jimmy Romell discussed the final report from the 2016 bond issue and the 2015 surplus funds. \$3,482,930 will be reimbursed to Taylor Morrison. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the Agreed Upon Procedures Report of Reimbursable Costs from the 2016 bond issue and the 2015 surplus funds as presented. The motion carried unanimously.

11. AMENDED INFORMATION FORM

Jeniffer Concienne stated that when the District's information is amended, the Amended Information Form needs to be updated. This amendment deals with the current bond issue. The form will need to be executed by all board members present today and will be filed with the TCEQ and the Hays County Clerk. Motion was made by Bubba Sykes and seconded by President Nathan Neese to approve the Amended Information Form as presented and authorize its filing with the TCEQ and Hays County Clerk. 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
- F. Billing Adjustments

Manager Kristi Hester discussed her report as included in the agenda package. Mrs. Hester went over the billing summary. There were no write-offs this month. There were 6 delinquent letters mailed, 4 door tags hung and no disconnects.

Mrs. Hester discussed the recent PUA waterline repair. A boil water notice was generated. All has been taken care of. The District gained water again in December. ST will be looking into the matter.

The wastewater plant is running at 34% capacity. The flows were higher than normal. ST will be replacing a valve. They will also be cleaning the effluent tank.

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

Bookkeeper Allen Douthitt presented and discussed the financials with the Board. Mr. Douthitt will void Mike Ehrhardt's and David Bosco's per diems due to their absence. Mr. Douthitt discussed the invoices and bond payment due and the transfer of tax money. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Bubba Sykes to approve the payment of the invoices, per diems and bond payment, along with the fund transfer 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

Developer Michael Slack discussed and recommend the following pay estimate:

Pay Estimate No. 1 in the amount of \$90,645.30 in connection with Reunion Ranch Phase 3, Section 1 submitted by Joe Bland Construction, LP.


After discussion, President Nathan Neese made a motion that was seconded by Vince Terracina to approve payment of the foregoing pay estimate as presented. The motion carried unanimously.

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

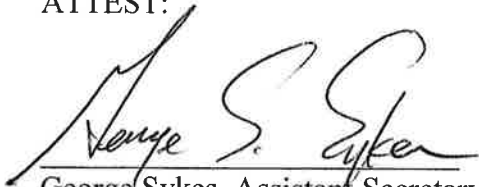
Developer Michael Slack reported on the award of contract for Reunion Ranch Phase 2, Section 5. There were nine bids received. Cornerstone Site Services was the low bidder. After discussion, motion was made by President Nathan Neese and seconded by Vince Terracina to approve the award of contract to Cornerstone Site Services for Reunion Ranch Phase 2, Section 5. The motion carried unanimously. This section will consist of the 80' lots.

16. ADJOURN

President Nathan Neese adjourned the meeting.


Nathan Neese, President
Reunion Ranch WCID

ATTEST:


George Sykes, Assistant Secretary
Reunion Ranch WCID

[SEAL]

