

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 November 19, 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, Jeniffer Concienne and Chance Murdock with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis with Inframark, LLC, Mike Moyer with Taylor Morrison, Garry Kimball with Specialized Public Finance Inc., Jacqueline Hale with McCall Parkhurst & Horton and Frank Krasovec.

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 Tom Rogers and seconded by Dennis Daniel to approve the October 15, 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. Sales remain strong with a total of 409 homes sold to date with a total of 350 closed. The average sales price in the District is \$516,810. Mr. Moyer reiterated that they are wrapping up Phase 3 Section 3. Build out of the District is at 60%.

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

Engineer Dennis Lozano discussed his report as included in the agenda package.

Mr. Lozano reported that his office and Manager Jesse Kennis are working with the TCEQ on the violations at the wastewater treatment plant with the sampling and chlorine contact chamber. Mr. Lozano explained the importance of not getting into an enforcement issue with the TCEQ.

The application for the Raw Water Contract Amendment has cleared administration and is in final processing. Mr. Lozano expects the Amendment to be presented any day.

Mr. Lozano discussed the Edwards Aquifer Recharge Zone wastewater line inspections. Mr. Lozano will come back with a recommendation to do all the inspections at one time or break them up.

The Board also discussed the odor control issues. Mr. Lozano reported that his office is continuing to work on the matter at the headworks with the equipment supplier.

9. CONSIDERATION AND ACTION WITH RESPECT TO RECEIVING BIDS AND AWARDING SALE OF THE \$5,000,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2019
10. CONSIDERATION AND ACTION WITH RESPECT TO “ORDER AUTHORIZING THE ISSUANCE OF \$5,000,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2019; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AWARDING THE SALE OF THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS.”
11. CLOSING PROCEDURES FOR THE \$5,000,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT UNLIMITED TAX BONDS, SERIES 2019 AND ANY OTHER MATTERS RELATED TO THE BONDS

Items 9 through 11 are related.

Financial Advisor Garry Kimball discussed the bid summary with the Board. There were five bids received. Robert W. Baird & Co., Inc. was the low bidder at 2.975520%. The bonds have an insured rating of “AA.”

Bond Attorney Jacqueline Hale reported that the bond order has been updated to incorporate all the information from Robert W. Baird & Co., Inc. Mr. Kimball advised that closing will occur on December 19th. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Dennis Daniel to award the bid to Robert W. Baird & Co., Inc. as the low bidder. The motion carried unanimously. Motion was then made by Bubba Sykes and seconded by Tom Rogers to adopt the Order Authorizing the Issuance of \$5,000,000 Reunion Ranch Water Control and Improvement District Unlimited Tax Bonds, Series 2019; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official; Authorizing the Execution of a Paying Agent/Registrar Agreement; Awarding the Sale of the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds as presented. The motion carried unanimously.

12. AMENDED INFORMATION FORM

Jeniffer Conciencie reported that the Amended Information Form was updated to include the recent bond issue. The form will be filed with the Hays County Clerk and TCEQ. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Tom Rogers and seconded by Vince Terracina to approve the Amended Information Form as presented and authorize its filing with the Hays County Clerk and TCEQ. The motion carried unanimously.

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

No further discussion was had.

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

This item was not discussed.

15. 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

This item was not discussed.

16. 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. TCEQ Notice of Violations dated August 5, 2019

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

There is a total of 407 active connections. The average monthly water consumption was 11.7 million gallons. Mr. Kennis reported that the chlorine residuals and bacteriological samples are satisfactory. There was a 2.9% water gain again this month.

The delinquencies for October are as follows: 14 letters were mailed out, 9 door tags were hung and there were 7 disconnects. All accounts are current and reconnected.

Mr. Kennis stated that the wastewater plant is operating at 76% capacity. Mr. Kennis reported on obtaining a refurbished mixer (motor, shaft and propeller) for the plant at a cost of \$4,700. After further discussion, Director Dennis Daniel advised that they hold off on the expenditure at this time. Mr. Kennis advised that they could look into rental equipment if needed.

There was discussion of an extremely high-water user within the District. The meter read 948,000 gallons of water consumption. After review, it does not appear to be a water leak. Inframark will continue monitor the situation. The Board advised Inframark to test the meter for accuracy.

Mr. Kennis reported that the berm to divert the runoff from the amenity center parking lot has been completed by the TCEQ deadline. Attorney Bill Flickinger discussed the plant expansion deadline and the other pending violations.

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

This item was not discussed.

18. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

19. DISTRICT INSURANCE

Director Bubba Sykes discussed the optional limits on the excess liability coverage for the Board's consideration. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Tom Rogers to authorize \$3M of additional general liability coverage to be effective on November 21, 2019. The motion carried unanimously.

20. 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 and per diems and authorization of a fund transfer. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Vince Terracina and seconded by Tom Rogers to approve payment of the vendor invoices and per diems and authorize the fund transfer as presented. The motion carried unanimously.

21. WEST TRAVIS COUNTY PUA MATTERS; INCLUDING POTENTIAL ADJUSTMENT TO WHOLESALE WATER AND WASTEWATER RATES AND CURRENT WATER RESTRICTIONS

This item was not discussed.

22. DISTRICT WEBSITE

The website is ready to go live. The website is located at: rrwcid.org. Jeniffer Conciene asked the directors to review it and provide any comments. Changes to the website can be made at any time.

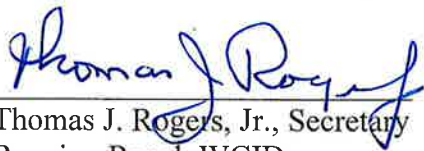
23. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



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

[SEAL]