

Medina County, Texas

**Potranco Ranch Public Improvement District
Board of Directors' Meeting
MEETING MINUTES
Wednesday, August 16, 2017, at 10:30 a.m.
Sammy's Restaurant
202 Old US Highway 90 E, Castroville, TX 78009
(830) 931-2204**

1. Call to Order:
 - a. General Habiger, Chair, called the meeting to order at 10:40 a.m.
2. Roll Call:
 - a. Members Present: General Eugene Habiger, Megan Earl, Harry Hausman, Mary Hoyt, Commissioner Larry Sittre
 - b. Members Absent: None
 - c. Others Present: David Earl, Lance Elliott
3. Proof of Quorum: A quorum was present.
4. Citizens to be Heard: None
5. Receive briefing from Developer and County on the status of project and discussion on any potential future actions/items for consideration by Board, including briefing on current status and performance of PID:
 - a. Harry Hausman, on behalf of the Developer, provided an update to the Board on the status of the project. There are currently two builders building within the subdivision, however Wall Endeavor is building homes more quickly than Terrata. Both builders aim to sell two homes per month. The Developer has had an issue with a Medina Electric line coming over the property (blanket easement was not recorded until two years ago), but Developer has paid to have the line removed from the property. CPS will be supplying gas to the 84 acre extension. There has been some theft occurring within the subdivision (an old gate code being used to access the subdivision). The Medina County Sherriff's office has been asked to monitor the area. Gehan Homes backed out the 84 acres, however Terrata will build homes within the additional acreage. The Developer will begin Unit 9 at the end of this year.
6. Discussion and approval of minutes from the following Potranco Ranch Public Improvement District Board of Directors' meeting:
 - a. September 13, 2016: After discussion, the minutes were approved as presented.
 - b. January 11, 2017: After discussion, the minutes were approved as presented.

7. Discussion and action regarding the ratification of the execution of an Easement Agreement dated February 17, 2017 and recorded on February 24, 2017, by and between Falcon International Bank, Earl Holdings, LLC, Hausman Holdings, LLC, and Medina County, Texas, acting by and through Potranco Ranch Public Improvement District:
 - a. David Earl discussed this item with the Board. The banks who have lent money for the project wanted to ensure that an easement was provided because there is currently no direct access. The easements expire on their own terms.
 - b. *Commissioner Larry Sittre made a motion to the ratify the execution of an Easement Agreement dated February 17, 2017 and recorded on February 24, 2017, by and between Falcon International Bank, Earl Holdings, LLC, Hausman Holdings, LLC, and Medina County, Texas, acting by and through Potranco Ranch Public Improvement District. Harry Hausman seconded the motion. Motion unanimously approved and carried.*
8. Discussion and action regarding the ratification of the execution of an Easement Agreement dated March 6, 2017 and recorded on March 10, 2017, by and between Falcon International Bank, 320 Potranco Ranch, LLC, and Medina County, Texas, acting by and through Potranco Ranch Public Improvement District:
 - a. *Commissioner Larry Sittre made a motion to the ratify the execution of an Easement Agreement dated March 6, 2017 and recorded on March 10, 2017, by and between Falcon International Bank, Earl Holdings, LLC, Hausman Holdings, LLC, and Medina County, Texas, acting by and through Potranco Ranch Public Improvement District. Harry Hausman seconded the motion. Motion unanimously approved and carried.*
9. Discussion and possible action on approval of the proposed 2017-2018 Service and Assessment Plan, and recommendation to the County Commissioners' Court of Medina County, Texas regarding same;
 - a. David Earl discussed this item with the Board. This Board is the advisory body for the PID pursuant to Chapter 372 of the Texas Local Government Code (the "Code") and as such is charged with recommending approval of the Service and Assessment Plan. Exhibit "A" to the 2017-2018 Service and Assessment Plan contains the financials for the PID. Phases 11 and 12 show \$0, as this amount was donated to the PID as parkland. The Code requires a five-year rolling budget, but the Development has provided the budget through 2039. The assessment rate is 18 cents. The PID is continuing to operate at a deficit (Developer has extended funding through letter of credit agreements). In 2026 there is a possibility that the PID assessment could be reduced. The 2017-2018 Service and Assessment Plan will be presented to the Medina County Commissioner's Court. The Court will set the assessment for next year, but next year an additional 84 acres will be added into the PID as well as a request for a 5-year extension. The assessment is based on the market value established by the District (the only exemption to the PID assessment is for undeveloped property). The Assessment Roll is included as Exhibit "C" to the Service and Assessment Plan, and the PID Board will approve the Assessment Roll as part of the action taken under Item 10.

- b. Commissioner Larry Sittre made a motion to approve the proposed 2017-2018 Service and Assessment Plan, and make a recommendation to the County Commissioners' Court of Medina County, Texas regarding same. Harry Hausman seconded the motion. The motion was unanimously approved and carried.*
10. Discussion and possible action on approval of the 2017-2018 Assessment Roll for the PID; levying the assessments on the benefitted properties within the PID; and recommendation to the County Commissioners' Court of Medina County, Texas regarding same:
 - a. Commissioner Larry Sittre made a motion to approve the 2017-2018 Assessment Roll for the PID; make a recommendation with regard to the levying of assessments on the benefitted properties within the PID; and make a recommendation to the County Commissioners' Court of Medina County, Texas regarding same. Harry Hausman seconded the motion. The motion was unanimously approved and carried.*
11. Discussion and action on providing direction to the Board Secretary to file the proposed Service and Assessment Plan and Assessment Roll with the Medina County Tax Assessor-Collector, and to take all action necessary to provide proper notice and public hearing by the Commissioners' Court of Medina County, Texas for consideration of the same:
 - a. Commissioner Larry Sittre made a motion to provide direction to the Board Secretary to file the proposed Service and Assessment Plan and Assessment Roll with the Medina County Tax Assessor-Collector, and to take all action necessary to provide proper notice and public hearing by the Commissioners' Court of Medina County, Texas for consideration of the same. Harry Hausman seconded the motion. The motion was unanimously approved and carried.*
12. New Business:
 - a. Timeline of Key Dates
 - b. National Night Out Volunteers (October 3, 2017)
 - c. Annual HOA Meeting to be set and information posted on Potranco Ranch website
13. Discussion by the Board to set next meeting date:
 - a. Megan Earl, Secretary, will send information to the Board about the next meeting date.
14. Motion to Adjourn
 - a. Harry Hausman made a motion to adjourn. Commissioner Larry Sittre seconded the motion. Motion unanimously approved and carried. Meeting adjourned at 11:13 a.m.*