

Medina County, Texas

Potranco Ranch PID Board of Director Meeting

MEETING MINUTES

Wednesday, September 25, 2013

at 11:15 a.m.

Sammy's Restaurant

202 Old US Highway 90 E, Castroville, TX 78009

(830) 931-2204

- I. **Call to Order and Roll Call:** General Habiger called the meeting to order at 11:39 a.m. Members present included: General Eugene Habiger, Megan J. Clay, Harry Hausman and Commissioner Larry Sittre. Members absent included: Bart Swider. Others present included: David L. Earl and Harry Hausman.
- II. **Proof of Quorum:** A quorum was established. Megan J. Clay was formally designated as the Secretary of the meeting.
- III. **Citizens to be Heard:** None
- IV. **Receive briefing from Developer and County on the status of project and discussion on any potential future actions/items for consideration by Board:**
 - a. *NOTE: Refer back to the TIRZ briefing by the Developer which is incorporated here by reference. All PID Board members were in attendance at the 10:30 a.m. TIRZ Board Meeting held on September 25, 2013.*
 - b. David Earl gave an update on behalf of the Developer. David Earl stated that \$2,666,935.76 has been invested by the Developer in the project in infrastructure; the Developer has spent \$1,590,854.25 in Unit 1. The Developer shared working drafts of the 'Job Estimates v. Actual Details for Unit 1'. Mr. Earl noted that the working drafts are not final copies are not to be disseminated to the public.
 - i. Diamond Property Management-David Earl shared a report from Diamond Property Management for the month ending August 2013.
 - ii. Status of lot sales-David Earl shared a report entitled 'Endeavor Wall Homes Lot Sales', showing the total lot sales for both Wall Endeavor and McMillian Homes. There are a total of 10 lots still owned by the Developer, there is a closing scheduled in November 2013 where the builders will take down additional lots. David Earl met with the marketing representative for McMillian for November 2013, targeted toward air force personnel, designed around theme of Thanksgiving, active military personnel or host family get a free turkey; realtors may also be invited.
 - iii. Out of the 35 lots in Unit 1; 30 have been sold and the rest are under contract to be sold.
 - c. The Board held discussion regarding harassment of current home owners in the subdivision- David Earl on behalf on the Developer stated that he will

get a restraining order against any individuals who harass the homeowners in the subdivision. General Habiger recommended to the Developer that the subdivision include a 'No Solicitation' sign at the entrance of the subdivision.

- d. Harry Hausman on behalf of the Developer, stated that the Developer has hired SOS, a company which takes care of sewer plants. Until we get enough waste, plant is not operational or turned on. Takes about 12 houses to get enough waste; approximately 60 days away.
 - i. Forest Glen Utility has signed the TCEQ certificate acknowledging responsibility for the sewer plant. TCEQ will be out to conduct an inspection as soon as the plant is online-Mr. Earl will update the Board when the inspection occurs and disseminate documentation showing that this has occurred.
 - ii. The Developer is shrinking islands in the cul-de-sacs to have additional room to drive and turn around in the cul-de-sacs; decision made to not to modify the existing islands, but going forward will be modified. .

**V. Discussion and approval of Minutes from May 1, 2013, May 22, 2013 and June 26, 2013
PID Board of Directors' Meetings:**

- a. Discussion re: June 26, 2013 Minutes from PID Board of Directors Meeting:
 - i. Modify on future units-Item IV. A.1.-reduction in size not removed;
- b. Upon motion made by Commissioner Larry Sittre, seconded by Megan J. Clay and carried, the Board moved to approve the May 1, 2013, May 22, 2013 and June 26, 2013 minutes as amended, pursuant to the reference to Item IV. A. 1. above.

VI. Receive update and take required action on Development Agreement and Service and Assessment Plan, if any:

- a. The Board held a discussion regarding the PID assessment- 18 cents per hundred; based on the County tax rolls, assessment roll of the PID as approved; exempt property is not assessed, only developed property is assessed; David L. Earl provided copies of the 'Potranco Ranch Public Improvement District Assessment Plan 2013'
 - i. Sinking ratio for bond funds-have a huge reserve built in in the event of maintenance, \$1.1 million reimbursed to developer, but collecting almost \$5 million dollars→ numbers are very conservative: based on projections of \$350,000 homes, no increase in valuation through in 2038, 99% collection rate (will be 100% because all will be escrowed)
 - ii. David L. Earl on behalf of the Developer proposes a special meeting of the PID Board should anything need to be approved prior to the October 14, 2013
 - 1. Upon motion made by Commissioner Larry Sittre, seconded by Megan J. Clay, and carried, the Board moves to set a Special Meeting of the PID Board prior to October 14, 2013 meeting of the Commissioner's Court if requested by the County's attorney and the Developer's attorney.

2. There was a discussion by the Board regarding payment to the County's attorney, Clay Binford, of outstanding invoices. The Developer agrees to discuss the invoices with Clay Binford and will ensure that timing of payment will be included in final documents.

VII. **Discuss and take action on items for future agenda:** None.

VIII. **New Business:** None.

IX. **Action by Board to set next meeting date:** The Board discussed December 18, 2013 as the next meeting date.

X. **Motion to Adjourn:** Upon motion made by Commissioner Larry Sittre, seconded by General Eugene Habiger, and carried, the Board moved to adjourn at 12:00 p.m.