

**SONTERRA MUNICIPAL UTILITY DISTRICT  
MINUTES OF BOARD OF DIRECTOR'S MEETING**

March 19, 2018

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on March 19, 2018, at 113 Limestone Terrace, Jarrell, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit "A"**.

All of the members of the Board were present, as follows:

John Faske	President
David Chandos	Vice President
Tom Slowbe	Secretary
Menashe "Manny" Akiva	Assistant Secretary
Dale Thornton	Treasurer

Also present at the meeting were Andy Bilger of Vecendario Management, LLC; Dennis Hendrix of Crossroads Utility Services ("Crossroads"); Taylor Kolmodin of Municipal Accounts and Consulting ("MAC"); Darrell Goldman of DMG Construction; Ken Heroy of Jones Heroy & Associates; Keith Witt, Steve Montgomery, Lori Riley and James Williams, residents of the District; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Faske called the meeting to order at 6:00 p.m. After the Pledges of Allegiance to the United States and Texas flags, Director Faske stated that the Board would receive Board member remarks and citizens communications. Lori Riley addressed the Board and stated that she had moved into the District at the end of July and received a \$480 water bill in October, even though her regular billings were about \$90 per month. She stated that she wasn't aware she could contest the bill and had since found out that her neighbors had to have their meters replaced. She also stated that there were high weeds behind her home and that there were rats coming into the yard from the high weeds in the drainage area. She asked if, since there was a monthly charge for parks, a park could be built on the south side of the District and whose responsibility it was to take care of the parks, the Homeowner's Association ("HOA") or the District. Mr. Bilger responded that the area that needed to be mowed was a District drainage area and should be being maintained, and agreed to look into it. Director Slowbe asked if a weed killer could be applied and Mr. Bilger responded that it was necessary to mow or weed-eat, since the vegetation prevented erosion of the drainage area.

Director Faske then stated that the Board would consider approving the minutes of the February 20, 2018 Board meeting. Upon motion by Director Chandos and second by Director Slowbe, the Board voted unanimously to approve the minutes.

Director Faske then stated that the Board would consider approving the Resolution Adopting Amended Code of Ethics and Financial Investment, Financial Management, Travel, and Professional Service Policies; Amended Investment Strategies; and Amended List of Qualified Brokers; Designating Investment Officers; and Confirming Annual Review attached as **Exhibit "B"**. After discussion, upon motion by Director Chandos and second by Director Faske, the Board voted unanimously to approve the Resolution.

Director Faske stated that the Board would next consider approving the Resolution Confirming Annual Review of Drought Contingency Plan attached as **Exhibit “C”**. Upon motion by Director Chandos and second by Director Faske, the Board voted unanimously to approve the Resolution.

Director Faske then stated that the Board would consider approving the Resolutions Regarding Operating Account and Capital Projects attached as **Exhibit “D”**; the Resolutions Regarding Lock Box Clearing Account attached as **Exhibit “E”**; and Resolutions Regarding Park and Pool Account attached as **Exhibit “F”**. After discussion, upon motion by Director Chandos and second by Director Faske, the Board voted unanimously to approve the Resolutions.

Director Faske stated that the Board would next receive the manager’s report and recognized Mr. Bilger. Mr. Bilger reviewed his directives and explained that he had been working on developing the District’s updated website with James Williams, who was a resident of the District. He introduced Mr. Williams and explained that he had developed a template for the Board to look at, but had not yet changed any content. Mr. Williams then reviewed the template website and explained the formatting changes he had made, which he stated would make the site more user-friendly for devices such as tablets and iPhones. He also explained that he had made documents easier to locate and that, as each link was opened, the prior link was closed, which made the site more clear and more user-friendly. Director Slowbe asked if the proposed site was ADA-compliant and Mr. Williams explained that he had added a screen reader, Apple voice-over, that would speak to vision-impaired individuals. Director Slowbe asked how the information would be updated. Mr. Williams stated that he could update it fairly quickly or could set the website up where the Board members themselves could do so if they wished. Director Faske asked how quickly information could be sent out and Mr. Williams responded that it could usually be sent out within eight to ten hours. Mr. Bilger stated that emergency notices could be sent out through his office or the attorney’s office. Director Faske asked for Mr. Bilger’s recommendation. Mr. Bilger stated that Mr. Williams had offered to put the website together for \$3,500, and that it could likely be completed within 30 days. Director Chandos inquired how much the maintenance would be and Mr. Williams responded that the maintenance would cost \$300 per month. Mr. Bilger stated that this was consistent with what the District’s current website administrator was charging. Director Slowbe stated that it would be nice to have links to the communities within Sonterra. Mr. Williams confirmed that the website and its content would be property of the District and stated that he could provide a contract that confirmed this. In response to a question from Director Slowbe, Mr. Williams confirmed that this would be a Word Press and added that a RSS feed could be added to provide a subscription-type service. Director Slowbe stated that he felt this cost was very reasonable. Upon motion by Director Slowbe and second by Director Chandos, the Board voted unanimously to approve the proposal by Mr. Williams, subject to Ms. Littlefield’s finalizing the appropriate documentation and receipt of the required Form 1295.

Mr. Bilger then reviewed the proposals for recoating of the pool decks attached as **Exhibits “G”** and **“H”**, noting that Sanchez Coatings was the low bidder, with a price of \$31,735.20. He noted that this company was dominant in the pool coating business and that the pool would essentially look like new when done. He stated that the timing was such that work would need to begin immediately in order to be complete before the pool season began. Mr. Bilger stated that the company was an approved representative of the product manufacturer. Mr. Bilger explained that there was a 24-month warranty on the texture and a 36-month warranty on the coating. He stated that the usual life of the coating was three years and stated that he would request more detailed warranty information. After discussion, upon motion by Director Chandos and second by Director Slowbe, the Board voted unanimously to authorize Mr. Bilger to award the contract, subject to verification of warranty information and product information, and with Director Faske’s approval, to make an alternate award if he found it



justified based on the information received from Sanchez Coatings. Mr. Bilger noted that the award would also be subject to the contractor's completion of the required Form 1295.

Director Faske then stated that the Board would discuss District security. Director Slowbe called the Board's attention to the patrol report that had been received from the City police department. He stated most of the reported citations were for trucks.

Director Faske stated that the Board would next discuss District park and recreational facilities. Director Slowbe reported that the first meeting of the Park and Trails Committee had occurred and the Committee had identified all of the existing parks and was going to meet again to develop its top three recommendations as well as a wish-list of smaller objectives, with the hopes that the Board could move forward with getting bids to accomplish some of these items. He then reviewed the locations of the existing park tracts, as well as some potentially multi-use detention areas with the Board. Director Slowbe also reviewed the Committee's goal of connecting the back of the District to the front with sidewalks, as well as connecting all of the parks and the schools. Mr. Bilger stated that construction of the second school would start soon, with the goal of opening in the Fall of 2019.

Director Faske then recognized Mr. Hendrix for purposes of receiving the District operator's report. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "I"**, and noted that the District had 1,615 occupied single-family connections, a total of 1,793 accounts, and an estimated population of 5,667 as of the end of February. He stated 66 taps had been sold for the year to-date. Mr. Hendrix reported that the District had experienced a water loss of 5.03% rather than the 11.88% indicated in the meeting packet. He then reviewed the well reports with the Board. He stated that he had no write off to present as Mr. Bilger had provided information for contacting the previous resident about the write-off that had been included in the packet. Mr. Hendrix stated that the meter at Well 2 needed to be replaced as it was operating intermittently. He stated that the cost would be \$2,700 and recommended approval. Upon motion by Director Thornton and second by Director Faske, the Board voted unanimously to approve the replacement of the meter as recommended.

Mr. Hendrix then called the Board's attention to the report on the inspection of the ground storage tank and the hydro pneumatic tank, attached as **Exhibit "J"**. He explained that the hydro pneumatic tank was now out of service and the valve closed. He explained that the hydro pneumatic tank was not needed currently because the elevated tank provided the same function. He stated that it appeared that the tank might have been modified at one time as there was welding on one of the end caps and the metal was not as thick as required. Mr. Bilger explained that the metal had deteriorated over time and the tank would need to be refurbished if the District wanted to keep it on line. Mr. Bilger explained that this was a maintenance issue and that the tank was desirable as an emergency back-up. Mr. Hendrix noted that the estimated cost of refurbishing the tank would be about \$25,000. He stated that he, Mr. Jones and Mr. Bilger would review the information and come back with a recommendation. Mr. Hendrix then reviewed some additional modifications to the tanks that were recommended for compliance reasons. The Board then discussed what would be required to refurbish the ground storage tank, and Mr. Hendrix advised that this project could be deferred until the next budget year. Mr. Bilger recommended proceeding with the compliance modifications immediately at a cost not to exceed \$5,000. After discussion, Director Thornton moved that the District proceed with the compliance modifications immediately as recommended, at a cost not to exceed \$5,000 and that an analysis be completed on the alternatives of repair versus replacement of the hydro pneumatic tank for inclusion in the next budget as an expense line-item. Director Chandos seconded the motion, which was unanimously adopted.

The Board then requested that Mr. Hendrix address Ms. Riley's concern about her October bill. Mr. Hendrix stated that the customer's meter had been rechecked and, based on



his review, it was his opinion that the water had gone through the meter. He stated that he could pull the meter for testing and the Board directed that he do so. Director Faske asked if there were any new houses under construction in Ms. Riley's neighborhood. Ms. Riley stated that there were, but that she worked from home. Director Thornton asked that Mr. Hendrix also check on the neighbor's address as Ms. Riley understood the neighbor had received a substantial credit after their meter was replaced following a high reading and Mr. Hendrix agreed to do so.

Mr. Heroy then reported that all required easements for the Lone Star waterline had now been obtained and that bids were due to be opened on April 17<sup>th</sup>. Director Slowbe asked if any condemnations were required, and Mr. Heroy responded that he understood some easements were being acquired through condemnation. In response to a question from Director Faske, Mr. Hendrix stated that fluoride levels were holding steady.

Director Faske stated that the Board would next discuss utility operations. Director Chandos called the Board's attention to the Operations Services Agreement with Crossroads Utility Services, LLC attached as **Exhibit "K"**, noting that he felt there was now a consensus, and moved approval of the Agreement. Upon second by Director Thornton, the motion was unanimously adopted.

Ms. Littlefield then presented the Amended Rate Order, attached as **Exhibit "L"**, noting that it included adjustments to the disconnect/reconnect charges to be consistent with those in Crossroads' contract. Upon motion by Director Chandos and second by Director Faske, the Board voted unanimously to approve the Order.

Director Faske then stated that the Board would receive the bookkeeper's report and recognized Ms. Kolmodin. Ms. Kolmodin called the Board's attention to the check register, attached as **Exhibit "M"** and the supplemental check register attached as **Exhibit "N"**. She stated that there was nothing out of the ordinary. Ms. Kolmodin stated that tax revenues were coming in and being invested. Upon motion by Director Chandos and second by Director Slowbe, the Board voted unanimously to approve the bookkeeper's report and the payments as presented.

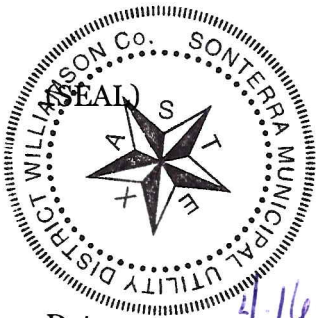
Director Faske stated that the Board would next receive the engineer's report and recognized Mr. Heroy. Mr. Heroy reviewed the report attached as **Exhibit "O"** with the Board. He then presented the motion summary attached as **Exhibit "P"**. He recommended approval of the revised Standard Fire Hydrant Assembly Detail W-03, attached as **Exhibit "Q"**; acceptance of the deed conveying the 0.88 acre detention and drainage lot in Section 7, Phase 4 to the District attached as **Exhibit "R"**; Change Order No. 7, attached as **Exhibit "S"**, adding 515 contract days to complete Water Plant No. 1 – Phase II Edwards Water Well Construction; and Change Order No. 7, attached as **Exhibit "T"**, adding 142 contract days to complete Water Plant No. 1 – Phase IIb Trinity Water Well Construction and recommended approval. He explained that the Change Orders were in order due to delays associated with the well site location and fluoride issues. Mr. Heroy then explained that, in connection with Sonterra West Section 11, Phases 2 and 3 and Section 12C, there were several offsite easement requirements and requested that the Board accept the Wastewater Utility Easement for a 0.070 acre tract and a 0.20 acre tract, attached as **Exhibit "U"** as well as a Temporary Drainage Easement for a 0.207 acre tract, attached as **Exhibit "V"**, and authorize the release and vacation of a portion of two existing easements upon his firm's confirmation that replacement facilities were complete. After discussion, upon motion by Director Slowbe and second by Director Chandos, the Board voted unanimously to approve the action items as recommended.

Director Faske then stated that the Board would next receive the attorney's report and recognized Ms. Littlefield. Ms. Littlefield called the Board's attention to the letter from Jarrell Independent School District requesting a refund of late payment charges, attached as **Exhibit**

“W”, and reviewed the basis for the refund with the Board. After discussion, upon motion by Director Faske and second by Director Thornton, the Board voted unanimously to approve the requested funds in the amount of \$394.42 and \$158.80.

Director Faske stated that the Board would next consider approving the items on the Board’s supplemental meeting agenda. Ms. Littlefield reported that, as there had been no additional candidates who had filed for a position on the Board, the District could cancel the May director election and declare Darrell Goldman and Director Thornton, the only candidates, elected to four-year terms beginning in May. She presented the Certification of Unopposed Status of Candidates attached as **Exhibit “X”** and the Order Declaring Election of Unopposed Candidates and Cancelling May 5, 2018 Director Election attached as **Exhibit “Y”** and reviewed them with the Board. After discussion, upon motion by Director Faske and second by Director Chandos, the Board voted unanimously to approve the Order.

There being no further business to come before the Board, the meeting was adjourned.



Date: \_\_\_\_\_

4-16-2018

  
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Menashe “Manny” Akiva, Assistant Secretary  
Board of Directors