

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

July 16, 2018

THE STATE OF TEXAS                   §  
  §  
COUNTY OF WILLIAMSON           §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on July 16, 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
Dale Thornton	Vice President
Tom Slowbe	Secretary
Menashe "Manny" Akiva	Assistant Secretary
Darrell Goldman	Assistant Secretary

Also present at the meeting were Andy Bilger of Vecindario Management, LLC; Dennis Hendrix of Crossroads Utility Services ("Crossroads"); Edward Castro of Top Quality Lawn Care; Taylor Kolmodin of Municipal Accounts and Consulting ("MAC"); Jason Jones of Jones Heroy & Associates; and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Faske called the meeting to order at 6:02 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. There being none, Director Faske stated that the Board would consider approving the minutes of the June 18, 2018 Board meeting. Upon motion by Director Slowbe and second by Director Goldman, the Board voted 4-0 to approve the minutes, with Director Thornton abstaining from the vote due to his absence from the meeting.

Director Faske stated that the Board would next receive the manager's report and recognized Mr. Bilger. Mr. Bilger reviewed the status of development and stated that he was pleased that the contractors were all doing a good job. Mr. Bilger reported that Williamson County had approved the License Agreement so the District could proceed with the sidewalk projects that had previously been discussed, and noted that the Homeowners Association ("HOA") had a substantial amount of funds to contribute towards this project. He stated that he anticipated having a plan for the sidewalk improvements to present the Board at its August meeting. Director Faske asked for an update on the manager's directives. Mr. Bilger stated that the October 23<sup>rd</sup> directive relating to the License Agreement could come off the directives list. Director Faske asked about the status of a protocol for watering restrictions, and reminded Mr. Bilger that the Board wanted to ensure that the District was following the same watering restrictions as the residents. Mr. Bilger confirmed that the restrictions were being relayed to the landscapers and added that his staff was also turning off the sprinklers during water use restriction periods. He suggested that the irrigation system be input into the GIS map that Mr. Jones maintained, since this would ensure that everyone knew where the controllers were located. He added that a lot of controllers were battery-operated. Director Faske stated that he supported adding this information to the map, but also wanted to ensure there was a written protocol. Mr. Bilger agreed that he would be responsible for implementation of the protocol.



Director Faske then stated that the Board would discuss District security. Director Slowbe stated that he had met with the new police chief, who was on board with continuing the process and providing reports.

Director Faske stated that the Board would next discuss park and recreational facilities. Director Slowbe stated that he hoped to work with Texas A&M on a park master plan, but would not have an answer back from them until August. He stated that the sidewalks could start going in before a master plan was completed.

Director Faske then stated that the Board would discuss a proposed sublease with The Community Library of Northern Williamson County. Director Slowbe stated that the Library might want to modify the form lease he had prepared and suggested tabling this item until the next Board meeting. Mr. Bilger stated that this would need to be taken into account in the budget. Director Slowbe reminded the rest of the Board that there were some modifications to the building that would be necessary, including accessibility improvements. The Board directed Mr. Bilger to contact an ADA specialist to get a proposal for this work.

Director Faske then recognized Mr. Hendrix for purposes of receiving the District operator's report. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "B"**, and stated that the District had 1,661 occupied single-family connections, a total of 1,929 accounts, and an estimated population of 4,983 as of the end of June. Mr. Hendrix reported that 175 taps had been sold for the year to date. He stated that there were no major issues with any of the wells and that the water loss was at .7% the prior month. Mr. Hendrix stated that some of this had to do with the line blow out and the estimated loss. He stated that Well No. 1 was off line, Well No. 2 was back on line, Well No. 3 was producing 67 gallons per minute ("*gpm*"), Well No. 4 was producing 396 gpm and Well No. 5 396 gpm, noting that the flow rates for Wells No. 4 and 5 were adjustable and that he would continue to monitor and adjust them. Mr. Hendrix noted that four accounts had been sent to collection and two accounts were to be written off. Mr. Hendrix stated that his only directive was to backbill LGI since he was waiting on back up from Crossroads' billing department. He also called the Board's attention to the leak detection report, noting that there had been four issues discovered; a service line leak which had been repaired; a fire hydrant leak which had been repaired under warranty; a new construction flush valve, which would be backbilled to the contractor; and a valve on Sapphire which had been repaired. Mr. Hendrix noted that he had found one apparent "cheater valve" which he would verify. He noted that the report pointed out that some meter boxes were full of silt and that there had been some other comments. Director Goldman inquired which fire hydrant was leaking and Mr. Hendrix stated that it was located at Orr and Hematite and that he had contacted the contractor. Director Faske asked about the comment, "not apparent that meters had been read". Mr. Hendrix responded that rain could result in this appearance and that he was confident these meters were being read due to Crossroads' checks and balances. Mr. Bilger stated that the cost of the lost water based on these leaks was approximately \$2,000 per month.

Director Faske then stated that the Board would receive the bookkeeper's report. Ms. Kolmodin called the Board's attention to the check register attached as **Exhibit "C"**; the supplemental check register attached as **Exhibit "D"**; and the capital projects check register and the supplemental capital projects check register attached as **Exhibit "E"**. She also presented the revised draft budget attached as **Exhibit "F"**. She confirmed that the Lone Star Regional Water Authority ("*LSRWA*") bond payment had been made. She stated that the next debt service payment was coming due in August. Ms. Kolmodin noted that, as of June 30<sup>th</sup>, the District was 99% collected on 2017 taxes. Upon motion by Director Goldman and second by Director Slowbe, the Board voted unanimously to approve the bookkeeper's report and the payments as presented. Director Faske inquired if the Board needed to schedule another budget worksession. Ms. Kolmodin responded that she believed the rate analyst was generally comfortable with the budgeted water and wastewater numbers. She reminded the Board that there were three action items from the budget worksession: to develop an impact fee; to amend



the rate order to increase inspection fees to \$500, increase City sewer impact fees to \$1,950, increase park dedication fee to \$300, and increase developer mowing fee to \$50 per hour; and to discuss an increase in patrol hours. Director Slowbe stated that another action item was to discuss a possible loan for park improvements.

Director Faske stated that the Board would next receive the engineer's report and recognized Mr. Jones. Mr. Jones presented his report, attached as **Exhibit "G"**, and called the Board's attention to the summary of action items attached as **Exhibit "H"**. He stated that an escrow release had been submitted for land costs and that he assumed approval would be received soon.

Mr. Jones then presented Pay Estimate No. 10 in the amount of \$123,726.94, attached as **Exhibit "I"**, for Water Plant No. 1 – Phase II Edwards Water Well Construction and Pay Estimate No. 8 in the amount of \$197,348.10, attached as **Exhibit "J"**, for Water Plant No. 1 – Phase IIb Trinity Water Well Construction and recommended approval. After discussion, upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve the Pay Estimates.

Mr. Jones then presented Pay Estimate No. 2 in the amount of \$178,076.61, attached as **Exhibit "K"**, for Sonterra West Section 12 construction and recommended approval. After discussion, upon motion by Director Thornton and second by Director Faske, the Board voted unanimously to approve the Pay Estimate.

Mr. Jones then presented Pay Estimate No. 4 in the amount of \$486,929.25 and Change Orders No. 3 and 4 in the amounts of \$2,200 and \$1,900, respectively, attached as **Exhibits "L", "M" and "N"**, respectively, for Sonterra West Sections 8-0, 10-3, 11-2 and 12C construction and recommended approval. The Board discussed the pricing in the Change Orders and Mr. Jones stated that he thought the amounts were reasonable. After discussion, upon motion by Director Thornton and second by Director Slowbe, the Board voted unanimously to approve the Pay Estimate and Change Orders.

Mr. Jones then stated that Jarrell Schwertner WSC had not approved the award of the contract for the Water Line "C" extension and noted that there would be a \$50,000 penalty associated with it if it was added later. He stated that this Line might need to be rebid, since it might be cheaper to do that, or LSRWA could renegotiate the price with the contractor. Mr. Jones stated that there was a customer meeting later in the week and this would be discussed.

Director Faske then recognized Ms. Littlefield who confirmed she had completed her directive to post the change in the water rationing stage on the District's website and transmit the information via email blast. The Board then returned to the budget discussion. Director Faske suggested scheduling an additional worksession which could be cancelled if it wasn't needed. Ms. Kolmodin stated that she would provide an updated budget as additional information was received. Director Faske directed that the consultants review and double check the budget numbers. After discussion, the Board agreed to schedule a worksession at 5:00 p.m. on August 7<sup>th</sup>.

At 6:52 p.m., Director Faske announced that the Board would convene in executive session to receive legal advice regarding wastewater capacity and the wholesale service contract with the City of Jarrell as permitted by Section 551.071 of the Texas Government Code. At 7:20 p.m. the Board reconvened in open session and Director Faske stated that no action had been taken in executive session. The Board directed Ms. Littlefield and Mr. Bilger to send a letter to City of Jarrell to address wastewater capacity concern and the potential impact on the District, and appointed a subcommittee consisting of Director Faske and Mr. Bilger, to review and distribute the letter. Upon motion by Director Faske and second by Director Thornton, the Board voted unanimously to do so.

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



Date:

September 17, 2018

Darrell Goldman, Assistant Secretary  
Board of Directors