

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

October 15, 2018

THE STATE OF TEXAS                   §  
   §  
COUNTY OF WILLIAMSON           §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on October 15, 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"**.

The following members of the Board were present, constituting a quorum:

John Faske	President
Tom Slowbe	Secretary
Menashe "Manny" Akiva	Assistant Secretary
Darrell Goldman	Assistant Secretary

Director Dale Thornton was absent. Also present at the meeting were Andy Bilger of Vecindario Management, LLC; Dennis Hendrix of Crossroads Utility Services ("Crossroads"); Ashlee Martin of McCall Gibson Swedlund & Barfoot, PLLC; Edward Castro of Top Quality Lawn Care; Taylor Kolmodin of Municipal Accounts and Consulting ("MAC"); Jason Jones of Jones Heroy & Associates; Ruth Gamble, a resident 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 asked if there were any Board member remarks or citizens communications. He recognized Ms. Gamble, who stated that she wanted to address traffic on County Road 313, noting that it was really maxed out and intrusive as to noise. She stated that the posted speed limit was 40, but cars were racing up and down the road, making it very dangerous to get across the road. Ms. Gamble also requested more police protection. Director Faske stated that the Board would consider additional police protection under the security agenda item.

Director Faske then stated that the Board would consider approving the minutes of the September 17, 2018 Board meeting. Upon motion by Director Goldman and second by Director Faske, the Board voted 4-0 to approve the minutes.

Director Faske then stated that the Board would consider approving the engagement letter with McCall Gibson Swedlund Barfoot PLLC for a report on reimbursable costs for the release of escrowed funds attached as **Exhibit "B"** and the engagement letter with McCall Gibson Swedlund Barfoot PLLC for a report on reimbursable costs for the Series 2019 bond issue attached as **Exhibit "C"**. After discussion, upon motion by Director Goldman and second by Director Slowbe, the Board voted 4-0 to approve the engagement letters.

Director Fakse stated that the Board would next discuss the release of escrowed funds for the Trinity Well site, elevated storage tank and Sonterra West Section 7, Phase 4 detention pond project. Ms. Littlefield called the Board's attention to the letter from the Texas Commission on Environmental Quality ("TCEQ") attached as **Exhibit "D"** approving the release of funds for these properties. Ms. Martin then presented the related report on reimbursable costs, attached



as **Exhibit “E”**, and noted that, as explained in the report, the TCEQ had approved \$37,873.39 for land costs, but the total due was slightly higher because the reimbursement date was later than that utilized by the TCEQ. She stated that the remainder would be held as surplus funds. After discussion, upon motion by Director Goldman and second by Director Slowbe, the Board voted 4-0 to accept the report and the closing documents related to the property as well as the release of the escrowed funds in accordance with the report.

Director Faske stated that the Board would next receive the manager’s report and recognized Mr. Bilger. Mr. Bilger stated that he had known very little about marquee signs at the beginning of his research, but had now learned that there were options for freestanding marquees or to build a frame and install a screen within it, noting that there were some fairly expensive options. Mr. Bilger stated that he felt the best option was to have a large enough screen to post the message and install the screen within a structure that was designed for the screen. He added that this would be more cost effective. He noted that, eventually, the District would probably want three marquee signs and that he would like to have a design that could be replicated. He noted that the marquee sign would need a constant electrical supply. Mr. Bilger suggested approving installations on Sonterra Boulevard just past Sandstone and near County Road 313. He added that at this point he was less concerned about location than the design. Director Slowbe stated that his concern was to protect the signs from potential vandalism. Mr. Bilger stated that marquee signs usually came with a plexiglass cover. Director Faske stated that he would like to have the screen big enough to place the information on the next Board meeting or on water rationing. Mr. Bilger agreed and stated that the marquee sign would have to be 65 inches to be readable at 60 miles per hour. After discussion, the Board authorized Mr. Bilger to proceed with pricing for the proposed signs.

Mr. Bilger then stated that neither he nor Ms. Littlefield were available for the November 19<sup>th</sup> meeting due to the Board’s recent change in the meeting date and suggested canceling the November meeting and scheduling an earlier meeting in December. After discussion, the Board agreed to cancel its November meeting and move the December meeting to December 10<sup>th</sup>.

Mr. Bilger then advised the Board that the Library was installing some bars to make the office bathrooms ADA compliant. Director Faske asked about a ramp at the front of the building and Mr. Bilger agreed to address this issue. He stated that he felt the District would be compliant with this modification, based on the age of the building.

Director Faske then stated that the Board would discuss District security and recognized Director Slowbe. Director Slowbe stated that the City of Jarrell had been unable to provide a security report this month. Director Faske requested that the check be held until the report was received and asked if County Road 313 could be addressed. The Board discussed the fact that County Road 313 was a County road and agreed that the residents should address the need for increased speed limit enforcement with the County. Director Slowbe stated that he had an appointment to meet with Commissioner Covey to discuss the roadway plan. Ms. Littlefield noted that Williamson County had been pursuing shifting responsibility for road maintenance to districts, but the District did not have road powers. The Board directed Mr. Bilger to communicate the residents’ concern about County Road 313 to the homeowner’s association (“HOA”).

Mr. Bilger then reported that pricing on the proposed sidewalks was variable, but that the total cost was over the bidding threshold and so the District could not just chose a contractor. He stated that there needed to be a standardized set of bid specifications for District to proceed, but the HOA had funds to begin the sidewalk project, once Mr. Jones had completed the specification, which would include ADA ramps. Mr. Bilger added that the HOA was not subject to public bidding requirements. He stated that allowing the HOA to begin would allow



completion of the sidewalk from the pool to the frontage road by March. Director Faske asked if this segment was the most significant need and Mr. Bilger responded that it had been identified as the biggest priority, although a sidewalk along County Road 313 was probably equally important. Mr. Bilger stated that the District could work on sidewalks from Sonterra Boulevard to the Library, noting that the best price he had obtained was \$78,000 for 2,600 feet. Mr. Jones stated that this was about \$5.00 per square foot including the ramps, which was a good price. Mr. Bilger suggested compacting concrete, but not using road base, and added that the sidewalks would meander around the trees. Director Faske asked that sleeves be included under the sidewalks and that they be marked so they could be easily located.

Mr. Bilger then explained that Green Landscapes was unable to keep up with the flower beds and trees rings for \$1,300 per month and suggested increasing the time to two days per week, 48 weeks a year, for \$3,500 per month. He added that this was the minimum to keep up with the plantings, and stated that the tree rings were the big maintenance issue. After discussions, the Board appointed Directors Faske and Goldman as a Subcommittee to negotiate and execute a new landscape maintenance agreement with Green Landscapes. Mr. Bilger commended the mowing work being done by Mr. Castro.

Director Faske stated that the Board would next discuss park and recreational facilities. Director Faske advised Director Slowbe that resident Lori Riley had come to the Board's last meeting and wanted to serve on the Park Committee. Director Slowbe stated that he would contact her. Director Slowbe then reported that the District had received three proposals to design a park master plan, two of which were from commercial contractors for a cost of about \$25,000 and one from the University of Texas at Arlington for a cost of \$16,670. Director Slowbe stated that the work would begin in November and be done in three to four months. He stated that he had requested that the master plan include an inventory of existing facilities, design, and a lay out of conceptual drawings to set the stage for the District to apply for future grants. He stated that the University's proposal was a very good price and he felt this would be very good for the District. Director Faske stated that it was important that the University had a budget to work within, so their design was achievable within the District's means. Director Slowbe stated that the original plan was a 10-year plan and that \$100,000 had been allocated for this work in the next year and there was also an option for a loan. Mr. Bilger clarified that the proposal was for a lease-purchase. Ms. Littlefield cautioned the Board about relying on use of operating revenues to pay for another lease because there were already a number of charges on the District's operating funds, including two lease-purchase agreements and the District's portion of the debt service on the Lone Star Regional Water Authority ("LSRWA") bonds. Mr. Bilger stated that it might also be possible to get a park grant. Director Slowbe then moved to accept the Memorandum of Understanding with the University attached as **Exhibit "F"** and to move forward by setting a meeting with Ms. Kolmodin and setting up guidelines for a park budget. Director Akiva asked if the cost for the master plan would come out of the allocated budget line item and Director Slowbe responded that he assumed the cost would come out of the current year's allocation of \$75,000. Upon second by Director Akiva, the motion passed by a vote of 4-0.

Director Faske then recognized Mr. Hendrix for purposes of receiving the District operator's report. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "G"**, and stated that the District had 1,754 occupied single-family connections, a total of 2,019 accounts, and an estimated population of 5,200 as of the end of September. Mr. Hendrix reported that 302 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 had decreased to 10.49% from the prior month. He added that he hoped to have a new meter installed in the next week or so. Mr. Hendrix stated one account had been sent to collection and another written-off. In response to a question from Mr. Bilger, Mr. Hendrix stated that Crossroads was in the process of winterizing the District's



facilities. Director Faske asked if there had been any complaints about water quality and Mr. Hendrix responded that there had not.

Mr. Bilger then stated that the District was waiting on some input from Jay Joyce on rate matters and Mr. Joyce needed information from the LSRWA. He stated that the District's LSRWA Board members, Mr. Heroy and Mr. Fisher, and a few others had asked that the LSRWA move forward with hiring Mr. Joyce to get the LSRWA rate structure completed, but for some reason the LSRWA general manager thought the LSRWA Board could do it internally without professional input. He noted that the District's LSRWA Board members were the only members of that Board with any water utility experience. Mr. Bilger stated that there were many millions of dollars of water sales to four different governmental entities at stake and that he would like to send a message from the complete Board that it expected a professional rate study that could be relied on in setting the District's own rates. Upon motion by Director Goldman and second by Director Faske, the Board voted 4-0 to authorize Mr. Bilger to relay this message. Mr. Bilger then reported that he had toured the Jarrell treatment plant expansion site, but that construction had been delayed due to the rain. He stated that there was obvious construction underway. Ms. Littlefield asked how inflow and infiltration was affecting flows and whether the segment of leaking line had been sealed. Mr. Bilger responded that the City was on a waiting list to get the manholes addressed as soon as it was dry enough to get trucks to the manholes. Director Slowbe asked about the City's permit excursion and Mr. Bilger responded that this was being caused by inflow and infiltration. Mr. Jones stated that this was also due to higher groundwater levels.

Director Faske then stated that the Board would receive the bookkeeper's report. Ms. Kolmodin responded to several billing questions from Directors Akiva and Faske and then called the Board's attention to the check register attached as **Exhibit "H"**; the supplemental check register attached as **Exhibit "I"**; and the capital projects check register attached as **Exhibit "J"**. Ms. Kolmodin stated that she would void the per diem check to Director Thornton due to his absence from the Board meeting. She presented a proposal to authorize automatic drafts for utility payments and noted that no change to the bookkeeper's resolution was needed and that she would continue to check each invoice and payment and explained that, with the Board's approval, payments would be made through auto draft rather than by check. Director Faske asked if the District could save money by shopping electrical pricing. After discussion, the Board determined that any savings was unlikely. Upon motion by Director Faske and second by Director Akiva, the Board voted 4-0 to approve the bookkeeper's report, the payment of the District's utility bills by auto draft as proposed, and the payment of the bills and invoices as presented, with the void noted, and with the directive to hold the City of Jarrell security patrol payment until release was authorized by Director Slowbe.

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 "K"**, and called the Board's attention to his directives. He stated that he had not completed the "white paper" report regarding fluoride issues and asked if the Board still wanted this. He noted that there was already something on the website and that the fluoride level was not going to change until the District's surface water supply was received. The Board agreed that this item should come off Mr. Jones' directive list.

Mr. Jones noted that the Board had already discussed the LSRWA project rate study and stated that he felt Mr. Ray's preference for an internal study was due to his history with the Brazos River Authority.

Mr. Jones then presented Pay Estimate No. 11 - Final from Hydro Resources-Mid Continent, Inc. ("*Hydro Resources*") in the amount of \$32,577.24, attached as **Exhibit "L"**, for



Water Plant No. 1 Phase II Edwards Water Well Construction and requested approval. Mr. Jones stated that he had received all of the necessary close-out documents for this project and recommended acceptance of the project for operation and maintenance. Upon motion by Director Faske and second by Director Slowbe, the Board voted 4-0 to approve the Pay Estimate, as presented, as well as acceptance of the project for operation and maintenance.

Mr. Jones then presented Pay Estimate No. 9 - Final from Hydro Resources in the amount of \$112,385.37, attached as **Exhibit "M"**, for Water Plant No. 1 – Phase IIb Trinity Water Well construction and requested approval. Mr. Jones stated that he had received all of the necessary close-out documents for this project and recommended acceptance for operation and maintenance. Upon motion by Director Faske and second by Director Slowbe, the Board voted 4-0 to approve the Pay Estimate and acceptance of the project for operation and maintenance. Mr. Jones then reminded the Board that the District had received the invoice from Hydro Resources in the amount of \$23,833, attached as **Exhibit "N"**, for the repair of the vertical turbine pump at the Trinity Water Well in August, but didn't pay it then because he had not received it before the Board meeting. Mr. Jones explained that another contractor's electrician had caused the damage and Hydro Resources was required to make the repair. He added that this invoice was only for charges for things out of Hydro Resources' control. Director Goldman moved approval of the invoice. Upon second by Director Faske, the motion was adopted by a vote of 4-0.

Mr. Jones then presented the invoice from Hydro Resources in the amount of \$16,385.20, attached as **Exhibit "O"**, for re-alignment of the existing above grade well head piping as well as replacement of the pump motor and recommended approval, noting that this had come in for less than previously approved by the Board. Ms. Kolmodin stated that these costs were included in the prior fiscal year's budget. Upon motion by Director Faske and second by Director Goldman, the Board voted 4-0 to approve the invoice, as presented.

Mr. Jones then presented Pay Estimate No. 6 from Central Road Utility, Ltd. in the amount of \$12,693.15, attached as **Exhibit "P"**, for Water Plant No. 1 – Phase III 8-inch Waterline and Site Improvements and requested approval. Upon motion by Director Faske and second by Director Slowbe, the Board voted 4-0 to approve the Pay Estimate. Mr. Jones confirmed that he was still holding the retainer for this job.

Mr. Jones then presented Pay Estimate No. 5 from JKB Construction Company in the amount of \$403,330.28, attached as **Exhibit "Q"**, for Sonterra West Section 12 and requested approval. Upon motion by Director Faske and second by Director Slowbe, the Board voted 4-0 to approve the Pay Estimate, as presented.

Mr. Jones then presented Pay Estimate No. 7 from Joe Bland Construction, LP, in the amount of \$27,608.04, attached as **Exhibit "R"**, for Sonterra West Section 8-O, 10-3, 11-2 and 12C Construction and requested approval. Upon motion by Director Faske and second by Director Goldman, the Board voted 4-0 to approve the Pay Estimate.

Mr. Jones stated that a little progress had been made on Sonterra West Section 10, Phase 3 and Section 11, Phase 2, but that there was still a need for pump-and-haul. He stated that the pump-and-haul would just be from one manhole, which would reduce the necessary escrow amount and estimated that this cost would be \$8,400, based on the reduced scope. Director Faske asked if this would cover the additional engineering costs and legal fees. Mr. Jones responded that the developer would pay those costs. Upon motion by Director Faske and second by Director Goldman, the Board voted 4-0 to appoint Director Goldman, to serve in Director Thornton's absence, to finalize negotiation of and to execute the pump-and-haul agreement.

Director Faske then recognized Ms. Littlefield, who stated that her directives were still pending, as she was still working with Mr. Bilger on the revised rate order and to obtain a proposal from Mr. Joyce for services relating to the changes to the rate order the District's had proposed. She then called the Board's attention to the Texas Municipal League Intergovernmental Risk Pool Summary of Claim Experience Report.

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



Date: December 10, 2018

  
Tom Slowbe  
Secretary, Board of Directors