

**SONTERRA MUNICIPAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS' MEETING**

August 7, 2019

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A special meeting of the Board of Directors of Sonterra Municipal Utility District was held on August 7, 2019, within the boundaries of the District, 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
Tom Slowbe	Vice President
Darrell Goldman	Secretary
Menashe "Manny" Akiva	Assistant Secretary
Camy Lenn Reynolds	Assistant Secretary

Also present at the meeting were Dennis Hendrix of Crossroads Utility Services ("Crossroads"); Taylor Kolmodin of Municipal Accounts and Consulting ("MAC"); Jason Jones of Jones Heroy & Associates, Inc.; Garry Kimball of Specialized Public Finance, Inc.; and Andy Bilger of Vecindario Management, LLC ("Vencindario").

Director Faske called the meeting to order at 3:03 p.m. After the Pledges of Allegiance to the United States and Texas flags, Director Faske inquired if there were any citizens communications or Board member announcements. There being none, Director Faske stated that the Board would discuss the District's 2019 tax rate. Ms. Kolmodin reviewed the draft budget with the Board. Mr. Kimball recommended a tax rate of \$0.9475 per \$100 assessed valuation, allocated \$0.1235 to operations and maintenance and \$0.824 to debt service. After discussion, no action was taken and the Board agreed that the budget would continue to be refined and would be adopted at the September Board meeting.

The Board then received the manager's report. Mr. Bilger asked that discussion on the marquee signs be tabled and the Board agreed.

Mr. Bilger then proposed that the rate payable to the Sonterra West Homeowners' Association, Inc. ("HOA") for deed restriction enforcement be increased from \$5 to \$6.50 per household. Director Slowbe stated that the District received positive comments from builders as a result of these services, which were provided by the HOA under the Real Property Lease/Purchase Agreement. Mr. Bilger then briefly discussed the HOA's responsibilities. After discussion, the Board agreed to table this item and directed that an item be added to the Board's next meeting agenda for further discussion of the proposed increase.

The Board then discussed services provided under the Professional Services Agreement with Vencindario. Mr. Bilger then stated that Dan Fleece had requested a 20% salary increase, which would increase his pay to \$54,000 per year. Mr. Bilger noted that Mr. Fleece had not had a raise in three years and reviewed Mr. Fleece's job responsibilities. Director Slowbe commended the quality of work that Mr. Fleece provided to the District and added that he

thought the raise was justified. The Board generally agreed and directed that an item be added to the Board's next meeting agenda for further discussion of the proposed salary increase for Mr. Fleece as well as Jesse Fleece. Ms. Kolmodin explained that both were employees of Vencindario and that the increases could be budgeted, but would be paid through Vencindario.

The Board then discussed landscape maintenance services. Mr. Bilger stated that he would like to discuss these services with Director Faske and that he believed the work would likely need to be sent out for bid. The Board agreed that no action would be taken on this item. Mr. Bilger asked that discussion of the proposed mulching services by Green Planet Scapes be tabled and the Board agreed.

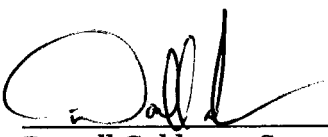
The Board then discussed repairs, operations and maintenance. Mr. Hendrix stated that he could likely get proposals for permanent insulation at the well sites so the cost could be included in the budget. The Board directed that an item be added to the Board's next meeting agenda for discussion.

The Board next discussed solid waste and recycling collection services, including proposed additional bulk waste clean-up days and a related proposal from Al Clawson Disposal, Inc. The Board agreed that two units would be made available for the bulk waste clean-up and the cost included in the budget. Ms. Kolmodin agreed to add this expense to the draft budget.

The Board then discussed water, wastewater and rate matters, including a retail water and wastewater services agreement with Cool Water Municipal Utility District ("Cool Water MUD"). Mr. Bilger stated that Cool Water MUD would have 1,523 living unit equivalents ("LUEs") that would be served by the District. He stated that Ms. Littlefield was working to finalize the actual agreement and asked that the Board authorize Director Faske to review and approve the final agreement and to execute it once it was finalized. Mr. Jones then reviewed the handouts attached as **Exhibit "B"** with the Board and explained the capacity buy-in fee and the impact fees to be paid by Cool Water MUD. After discussion, upon motion by Director Goldman and second by Director Faske, the Board voted unanimously to authorize Director Faske to review and approve the final agreement and execute it once it was finalized.

There being no further business to come before the Board, upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to adjourn the meeting at





Darrell Goldman, Secretary
Board of Directors