

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

December 16, 2024

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on December 16, 2024 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 meeting was called to order at 6:00 p.m. and the roll of the members of the Board of Directors was called, as follows:

Michael Cosimeno	-	President
John Faske	-	Vice President
Raven Dunbar	-	Secretary
Sherry Roark	-	Assistant Secretary
Jesse Payne	-	Assistant Secretary

and all of the Directors were present except, Director Faske and Director Roark, thus constituting a quorum. Also present at the meeting were Jason Jones of Jones-Heroy & Associates, Inc.; Carter Dean of Armbrust & Brown, PLLC; Allen Douthitt of Bott & Douthitt, PLLC; Eddie Castro of Landscape Designs and Lawn Care LLC; Dennis Hendrix of Crossroads Utility Services; Blake Reynolds, the District’s General Manager; David Forbes, the District’s Maintenance Supervisor; representatives of Atkins Realis; representatives of RVi Planning + Landscape Architecture (“*RVi*”); representatives of Halff Associates, Inc. (“*Halff*”); Alec Saucedo of Landmark Aquatic; Angela Avila of McCall, Parkhurst & Horton, LLP; Jason Nobbe of Oro Design Group; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Heather Mosley, a resident of Cool Water MUD; Jonathan Hall, a resident of the District; and other various residents of the District.

After the Pledges of Allegiance to the United States and Texas flags, Director Cosimeno then stated that the Board would receive any Board member remarks or citizens communications. Ms. Mosley addressed the Board and provided a report regarding the holiday market that she had organized and held at the Cool Water Amenity Center. She stated that, while the event went well, she had experienced some initial difficulties reserving the space. She next stated that the facility needed “no pets allowed” and “no smoking” signs. She concluded her comments by stating that she intended to hold another event in the Cool Water Amenity Center in the spring, and would like to coordinate with the District in advance in order to ensure a smooth reservation process and event. Mr. Hall then addressed the Board and asked why the District had not renewed the lease-purchase agreement for the pool property with Sonterra West HOA. Mr. Dean briefly explained the structure of the agreement and explained that entering into a new agreement with the HOA under which the District would receive no consideration in exchange for it collecting and paying \$5 per water connection per month to the HOA would be illegal. He noted that the previous agreement was legal, however, since the real property leased and purchased by the District under the agreement constituted valid consideration. Mr. Hall then asked why the District did not save money to purchase facilities outright, instead of issuing bonds to fund facilities. Mr. Dean responded that in order to purchase the facilities needed and requested by its residents, the District, like most other local government entities, needed to issue bonds, as saving the money would take a very long time. Mr. Dean stated that he would send Mr.

Hall the District's annual audit report, so that Mr. Hall could better understand the District's finances.

Director Cosimeno then stated that the Board would consider the Bond Items section of the agenda. Mr. Dean reported that the District's application to the TCEQ for approval to issue \$3,820,000 in bonds (the "Bonds") had been deemed administratively complete and subsequently approved by TCEQ staff, as evidenced by the letter, technical memorandum, and order attached as **Exhibit "B"**. Mr. Dean then reviewed the Timetable for Issuance of the Bonds attached as **Exhibit "C"** and noted that the Board would consider approving the offering documents for the Bonds today and that the Bonds were scheduled to sell in January and close in February. He next reviewed the draft Preliminary Official Statement ("POS") for the sale of the Bonds attached as **Exhibit "D"**. Ms. Avila then directed the Board's attention to the Resolution Approving Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of a Notice of Sale of Bonds; and Approving Other Related Matters attached **Exhibit "E"** (the "POS Resolution"), which she explained would approve and authorize distribution of the POS, authorize publication of the sale of the Bonds, designate the paying agent/registrar for the Bonds, and authorize payment of the Attorney General bond review fee associated with the Bonds. Ms. Martin then presented an engagement letter with McCall Gibson Swedlund Barfoot PLLC, attached as **Exhibit "F"**, to prepare a reimbursement report in connection with the Bonds, which was necessary before disbursing the proceeds of the Bonds. Ms. Martin next advised the Board that, when an audit was included in bond offering documents, as would be the case for the Bonds, applicable auditing standards – in particular, Statement on Standards for Attestation Engagements (SSAE) No. 133 – required the auditor to obtain a supplemental representation from the Board that, in essence, confirmed that there had been no material changes to the District's financial position since the last audit. She directed the Board's attention to the SSAE No. 133 letter attached as **Exhibit "G"** and pointed out that it included the same knowledge and reliance qualifiers as the representation letter signed by the Board in connection with the audit itself. Mr. Dean then recommended that the Board authorize the Urgent Matters Subcommittee to act on any and all bond-related matters that may lawfully be taken by a subcommittee, in case a quorum could not be met for the Board meeting at which the Board would consider the reimbursement report and authorize disbursement of the Bond proceeds upon closing. After discussion, upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to approve the POS Resolution, the engagement letter with McCall Gibson Swedlund Barfoot PLLC, the SSAE No.133 representation letter, and to authorize the Urgent Matters Subcommittee to act on any and all bond-related matters that may lawfully be taken by a subcommittee.

Director Cosimeno next stated that the Board would consider the Consent Items on the agenda, including the minutes of the November 18, 2024 Board meeting. Upon motion by Director Payne and second by Director Dunbar, the Board voted 3-0 to approve the minutes, as presented.

Director Cosimeno stated that the Board would receive a report from the District's bookkeeper. Mr. Douthitt reviewed the bookkeeper's report attached as **Exhibit "H"** and recommended approval of the transfers, the director and vendor payments, and the payments to be made by wire listed in his report, noting that Director Faske and Director Roark's director fee checks would be voided due to their absence. Mr. Douthitt next stated that the renewal of the District's Bookkeeping Services Agreement with his firm be tabled until the March Board meeting. Mr. Douthitt then stated that he had been informed that the District could not have multiple credit cards for the same account, and that any extra cards needed to be discarded. Upon motion by Director Payne and second by Director Dunbar, the Board voted 3-0 to approve the transfers, the Director and vendor payments, and the payments to be made by wire listed in the bookkeeper's report. The Board agreed to table the Bookkeeping Services Agreement until its March meeting.

Director Cosimeno next stated that the Board would receive the general manager's report. Mr. Reynolds reviewed the general manager's report attached as **Exhibit "I"**. He reported that the new website should be ready to launch in January; that he had been working with Chuck Campbell of Jackson Walker and Erik Little of Boon Investment Group to establish a retirement plan with Voya and Definiti; that the "Breakfast with Santa" event had gone well; and that the Eastwood Amenity Center Subcommittee had a series of interviews scheduled soon with architecture firms. A representative of Halff then addressed the Board and presented a proposal for project management services and project development for the Phase 1 Trails Project and Concrete Fencing Project to the Board. Upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to approve the proposal and authorize negotiation and execution of the associated Agreement for Professional Engineering Services on a Task Order Basis, attached collectively as **Exhibit "J"**. A representative of RVi then addressed the Board and presented Work Order 01 for design and project management services for four park spaces to the Board. Upon motion by Director Payne and second by Director Dunbar, the Board voted 3-0 to approve Work Order 01 and authorize negotiation and execution of the associated Master Professional Services Agreement – Design, attached collectively as **Exhibit "K"**. Multiple representatives of Atkins Realis then addressed the Board and presented a proposal for grant writing services. Director Payne asked whether Atkins Realis had provides these services to MUDs before, and that the Board would need to know more specifically how the grant writing process worked for MUDs and the likely benefits to the District. The Board took no action on the matter.

Mr. Reynolds next presented a draft revised employee handbook, attached as **Exhibit "L"**. He stated that the draft had been modified since the Board last reviewed it in order to address concerns regarding holidays and paid time off. Director Cosimeno noted that the parts of the handbook regarding paid time off would need to be revisited in a few years, as federal law was expected to change. After discussion, upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to approve the revised employee handbook. Mr. Reynolds then presented a CEFCO Fleet Card Mastercard Application, attached as **Exhibit "M"**, which he stated would allow the District's employees to purchase gas for work vehicles using one or more CEFCO Fleet Cards. He added that he had recently discovered that the gas station the District currently used was unlicensed, so using a different gas station was necessary. Board discussion ensued regarding the necessity of fleet cards. After discussion, upon motion by Director Payne and second by Director Dunbar, the Board voted 3-0 to approve the CEFCO Fleet Card Mastercard Application, subject to confirmation by Messrs. Douthitt and Dean that the District's use of such cards was feasible and legal. Director Cosimeno noted that he also planned to discuss the possibility of opening a commercial account with Home Depot with Mr. Douthitt. Mr. Nobbe then addressed the Board and presented Contract Amendment No. 2 to Professional Services Agreement with Oro Design Group, LLC. He explained that the amendment included the fees for additional services that had been undertaken by Oro and its sub-consultants in connection with the preliminary design of the Eastwood Amenity Center. He additionally indicated that Oro had waived some of its design fees. Mr. Dean recommended that the amendment be tabled until the January Board meeting. The Board agreed to table the matter.

Mr. Reynolds then presented a series of alternate proposals from Alpha Paving for work on the parking lot behind the District office. Director Payne stated that the proposals including asphalt repair were currently unnecessary, and that resealing would be sufficient. Director Reynolds then stated that Messrs. Castro and Jones had inspected the concrete fences in the District and would provide a report on the matter in January. Mr. Reynolds presented a report regarding District aquatics, including the proposed hours of operation for the Sonterra and Cool Water pools. He then reviewed the job descriptions for season Swim Instructors and a full-time Aquatics Coordinator included in his report, and requested authorization to hire these positions. He additionally reviewed the proposed pay scale adjustments for seasonal positions included in his report. After discussion, upon motion by Director Payne and second by Director Dunbar, the Board voted 3-0 to authorize hiring the season Swim Instructors and a full-time Aquatics

Coordinator and to approve the pay scale adjustments for seasonal employees. Mr. Saucedo addressed the Board and reviewed a series of projects proposed by Landmark Aquatic relating to the Sonterra and Cool Water pools. Director Cosimeno suggested that the Board approve leak detection before proceeding with more costly repairs and replacement. The Board contemplated approving the installation of a new filtration system at the Sonterra pool, but deferred the matter until a formal proposal had been presented. After discussion, upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to authorize Landmark Aquatic to conduct leak detection on the splash pad inside the Sonterra pool area for an amount of \$4,307.69. Mr. Saucedo stated that he planned to have the leak test results by the Board's January meeting.

Director Cosimeno then provided a security patrol report to the Board. Mr. Dean presented the Agreements for Off-Duty Security and Patrol Services with Deputy Mills and Deputy Wilson, attached collectively as **Exhibit "N"**, to the Board. He stated that adding the two deputies to the District's off-duty patrol roster was necessary in part to cover the basketball games held on Jarrell ISD property. Upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to approve the two agreements.

Director Cosimeno stated that the Board would receive the mowing and landscape maintenance report from Mr. Castro of Landscape Designs & Lawn Care. Mr. Castro reviewed his report attached as **Exhibit "O"** with the Board, noting in particular that his crews had been winterizing the District's irrigation system in preparation for the winter months.

Director Cosimeno next stated that the Board would consider matters relating to the Jarrell Community Library and Resource Center (the "*Library*"), including the Third Amendment to Lease Agreement with the Library, attached as **Exhibit "P"**. Upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to authorize the Urgent Matters Subcommittee to finalize and execute the amendment under the terms that it considered appropriate.

Director Cosimeno next stated that the Board would consider the operator's report and recognized Mr. Hendrix. Mr. Hendrix reviewed the operator's report attached as **Exhibit "Q"** with the Board, noting in particular that there had been a water gain of approximately 8.4%; that the lights on the elevated storage tank would be replaced soon; and that Crossroads continued working to address the sewer odor reported at Lift Station No. 4.

Director Cosimeno then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones presented his report attached as **Exhibit "R"** to the Board. Mr. Jones stated that he continued to work on the memorandum to the TCEQ regarding deficiencies in the park facilities to be purchased by the District with the proposed park bonds; that he had a good meeting with the City of Jarrell recently regarding the status of development of the Cornhill Business Park; and that the final walkthrough of the new elevated storage tank was scheduled for January. Mr. Jones then presented and recommended approval of Pay Application No. 11 from Caldwell Tanks for the EST at WTP No. 2 project, attached as **Exhibit "S"**. Upon motion by Director Dunbar and second by Director Payne, the Board voted 3-0 to approve Pay Application No. 11.

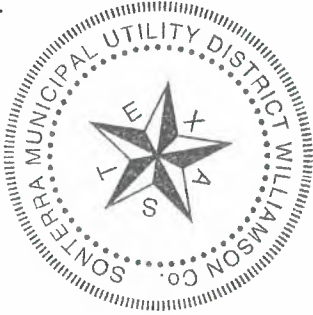
Director Cosimeno stated that the Board would receive a report from the District's attorney. Mr. Dean stated that he expected the study on the District's retail rates from Expergy to be completed by February or March. He next reviewed the erosion control inspection report included in the meeting materials with the Board. Director Cosimeno asked Mr. Dean to determine when the agreement with Williams Mapping for the erosion control inspection services expired, since the services may no longer be necessary. Mr. Dean then stated that the developer of Sonterra had advised that he intended to convey the tract for

for the contemplated Eastwood Amenity Center to the District, but would like to see the plans for the facility first. At 8:05 p.m., Director Cosimeno announced that the Board would convene in executive session pursuant to Section 551.071 of the Texas Government Code to receive legal advice from Mr. Dean regarding the entry monument on Sonterra Boulevard. At 8:09 p.m., Director Cosimeno announced that the Board would reconvene in open session, noting that no action had been taken during executive session.

The Board considered its future meeting schedule and agenda items and confirmed that it would hold its January meeting on Monday, January 13th.

There being no further business to come before the Board, the meeting was adjourned at 8:11 p.m.

(SEAL)





Raven Dunbar
Secretary, Board of Directors

Date: January 13, 2025