

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

November 18, 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 November 18, 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, 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; Susan Gregurek, Janet Hage, and Pete Escalante of the Jarrell Community Library and Resource Center (the "Library"); Blake Reynolds, the District's General Manager; Tyler Brown, the District's Parks and Recreational Manager; Michelle Weydert, the District's Aquatics Director; Jason Nobbe of Oro Design Group; and Heather Mosley, a resident of Cool Water MUD.

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 requested that an item be placed on the next agenda to discuss the difficulties that she had encountered when trying to reserve the Cool Water Amenity Center for an event. The Board agreed to have an item placed on the December agenda.

Director Cosimeno next stated that the Board would consider the Consent Items on the agenda, including the minutes of the October 21, 2024 Board meeting and the Amended and Restated Resolution Establishing Offices and Meeting Locations Places of the Board of Directors of Sonterra Municipal Utility District and Establishing Locations for Posting of Notices of Meetings of the Board, attached as **Exhibit "B"** (the "Resolution"). Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the Consent Items, 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 "C"** and recommended approval of the transfers and the Director and vendor payments listed in his report. Upon motion by Director Roark and second by Director Faske, the Board voted unanimously to approve the transfers and the Director and vendor payments listed in the bookkeeper's report. Mr. Douthitt then presented the Treasury Management Services Acknowledgment of Service(s) and Affiliates from First Citizens Bank, attached as **Exhibit "D"**

(the "Acknowledgment"), to the Board. He recommended that the Board approve the Acknowledgment with the "Check Reverse Positive Pay Services" service selected, which would help prevent check fraud. Upon motion by Director Payne and second by Director Dunbar, the Board voted unanimously to approve the Acknowledgment with the service selected as recommended by Mr. Douthitt.

Director Cosimeno next stated that the Board would receive the District manager's report. Mr. Reynolds addressed the Board and reviewed his report attached as Exhibit "E". He first reported that 401Plans had withdrawn from possible providing investment advisory services in connection with the District's employee retirement plan, but that Chuck Campbell would reach out to Erik Little of Boon Investment Group to possibly serve as the investment advisor. Upon motion by Director Payne and second by Director Dunbar, the Board voted unanimously to authorize Directors Cosimeno and Faske to take all action necessary to establish an employee retirement plan, including approving any related agreements. Mr. Reynolds next reported that the pothole at the entrance of Sonterra Boulevard was on Williamson County's list of repairs, but that the County considered the entry monument to be dangerous and would like to remove it. Director Cosimeno directed Mr. Dean to determine the ownership and responsibility for the entry monument in advance of the next Board meeting. Mr. Reynolds next stated that he had been in contact with various landscape architecture firms, including Halff, RVi, and Studio 16:19, for possible engagement on District projects, and planned to present related agreements at the next Board meeting. Mr. Reynolds then stated that the District had hired an administrative assistant and recreation specialist. He then reviewed the remaining status updates included under his report. He next presented a series of alternative proposals from NeoGov for human resources software, noting that the District qualified for the 1-49 employee pricing, since the District's seasonal employees only counted as 1/4 of an employee for this purpose. The Board discussed which proposal to approve. After discussion, upon motion by Director Cosimeno and second by Director Payne, the Board voted unanimously to approve the Quote Number Q-17341 from NeoGov attached as Exhibit "F", subject to Mr. Dean's review and approval of the associated Services Agreement with NeoGov. Mr. Reynolds then reviewed the proposal from Forte for payment processing attached as Exhibit "G" and recommended that the Board approve a "hybrid" fee structure, under which the District would absorb the payment processing fee for transactions under \$10.00, and customers would pay the payment processing fee for transactions of \$10.00 or more. After discussion, upon motion by Director Cosimeno and second by Director Payne, the Board voted unanimously to approve the proposal from Forte with the "hybrid" structure proposed by Mr. Reynolds, subject to Mr. Dean's review and approval of the Payment Processing Agreement. Mr. Reynolds then requested that the Board approve spending an amount not to exceed \$10,000 on Christmas decorations for the District's various facilities. Director Roark asked what decorations would be purchased. Mr. Reynolds responded that the decorations would include items like Christmas lights and trees. Director Payne asked if the decorations could be used in subsequent years as well. Mr. Reynolds responded that they could be. After discussion, upon motion by Director Payne and second by Director Dunbar, the Board voted unanimously to approve spending an amount not to exceed \$10,000 on Christmas decorations for various District facilities. Mr. Reynolds then stated that two columns in the Eastwood subdivision needed to be repaired, but that Mr. Jones and Mr. Castro first planned to inspect all of the walls in the District before recommending any repairs. Mr. Reynolds then presented the proposal from William Pittman for the installation of security cameras at the District's office attached as Exhibit "H". Upon motion by Director Dunbar and second by Director Payne, the Board voted unanimously to approve the proposal from William Pittman. Mr. Reynolds next reported that he had been advised by a TML representative that the damage to the Sonterra Clubhouse parking lot could be remedied by replacing the wheel stops and power washing the pavement, but that he planned to discuss further with TML. Mr. Reynolds then presented a series of alternative proposals from Alpha Paving for repairs to the District office parking lot. Upon motion by Director Faske and second by Director Payne, the Board voted unanimously to approve Proposal Number 10604-5 from Alpha Paving attached as

Exhibit “I”. Mr. Reynolds then reviewed a proposal from Allied Electric and a list of various lighting fixtures from Texas Bright Ideas, attached collectively as **Exhibit “J”**, with the Board. He recommended approval in order to provide better lighting at the District office. Upon motion by Director Roark and second by Director Dunbar, the Board voted unanimously to approve the proposal from Allied Electric and purchase of the lighting fixtures. Mr. Reynolds then stated that the Deputy Kidwell had issued a trespassing warning to the gentleman who had been parking his tractor-trailer on District property on County Road 332, and that individuals riding ATVs had recently been spotted behind the District office building, so he would obtain a quote for blocks to prevent access. Mr. Reynolds next presented the Performance Contract with Ron Mayfield to perform as Santa Claus at the upcoming Breakfast with Santa event, and asked that the Board approve an amount not to exceed \$3,500 to hold the event. Upon motion by Director Roark and second by Director Payne, the Board voted unanimously to approve the Performance Contract attached as **Exhibit “K”** and an amount not to exceed \$3,500 to hold the event. Mr. Reynolds next stated that he expected the youth basketball league to cost \$20,000 at most, which included compensating off-duty security services from Williamson County Sheriff’s Office deputies. Upon motion by Director Roark and second by Director Payne, the Board voted unanimously to approve spending an amount not to exceed \$20,000 to fund the basketball league. Mr. Brown then provided a report regarding parks and recreation activity over the past month.

Director Cosimeno then provided a security patrol report to the Board. He stated that Deputy Kidwell had advised that the currently-provided 140 patrol hours per month had been working well and that call volume had seen a modest decrease.

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 “L”** with the Board. He stated that all of the work entailed by previously-approved proposals had been completed.

Director Cosimeno next stated that the Board would consider matters relating to the Jarrell Community Library and Resource Center. Ms. Gregurek provided the Library’s annual report to the Board and requested that the Board consider the Library’s benefit to the community while deliberating regarding of the renewal of the office lease to the Library. Ms. Hage then addressed the Board, thanking it for its support over the years, and advocating for renewal of the office lease to the Library on favorable terms. Director Cosimeno stated that the Board would discuss the lease later in the meeting, during executive session.

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 “M”** with the Board, noting in particular that there had been a water gain of 15.9%.

Director Cosimeno then recognized Mr. Jones for the purpose of receiving the engineer’s report. Mr. Jones presented his report attached as **Exhibit “N”** to the Board. Mr. Jones stated that there had been no updates or progress on the Cornhill Business Park, which the District had previously agreed to provide pass-through wastewater and fire flow service to, and that the agreement would expire in February if payment for initiation of service was not received from the City of Jarrell. Mr. Jones then presented and recommended approval of Pay Application No. 10 from Caldwell Tanks for the EST at WTP No. 2 project, attached as **Exhibit “O”**. Upon motion by Director Roark and second by Director Dunbar, the Board voted unanimously to approve Pay Application No. 10.

Director Cosimeno stated that the Board would receive a report from the District’s attorney. Mr. Dean first reviewed the Covered Applications and Prohibited Technology Policy attached as **Exhibit “P”** with the Board. Upon motion by Director Faske and second by

Director Cosimeno, the Board voted unanimously to approve the Covered Applications and Prohibited Technology Policy. Mr. Dean then presented the current subcommittee list to the Board. Board discussion ensued. After discussion, upon motion by Director Payne and second by Director Dunbar, the Board voted unanimously to approve the revised subcommittee list attached as **Exhibit "Q"**, with the addition of the Eastwood Amenity Center Subcommittee and the removal of the Utilities Subcommittee. Mr. Dean then presented (i) the Warranty Deed by which Sonterra West HOA would convey Lot 19, Block "C", Sonterra West Phase 1B and Lot 35, Block "C", Sonterra West Phase V-A to the District; and (ii) the Termination and Release of Memorandum of Real Property Lease/Purchase Agreement. Mr. Dean explained that, since the District had made the final payment under the Real Property/Lease Purchase Agreement with the Sonterra West HOA, the HOA was obligated to convey the property, resulting in termination of the agreement. Upon motion by Director Cosimeno and second by Director Roark, the Board voted unanimously to accept the Warranty Deed, subject to Mr. Dean's confirmation that there were no liens on the property, and to approve the Termination and Release of Memorandum of Real Property Lease/Purchase Agreement.

At 7:43 p.m., Director Cosimeno announced that the Board would convene in executive session pursuant to Section 551.072 of the Texas Government Code to discuss the lease of the District office to the Library and to receive legal advice from Mr. Dean regarding the District's agreement with Oro Design Group pursuant to Section 551.071 of the Texas Government Code. At 8:22 p.m., Director Cosimeno announced that the Board would reconvene in open session, noting that no action had been taken during executive session. Mr. Dean advised that he would contact Ms. Hage to discuss the terms of the lease. Mr. Nobbe then reviewed with the Board the proposed Change Order No. 2 to the District's agreement with Oro Design for design of the Eastwood Amenity Center. He stated that the scope of the project had increased dramatically, and that the change order would reflect the additional work and associated costs. Director Faske stated that the Board had not been made aware of the additional costs in advance. The Board directed that Oro Design and its consultants cease work on the project, and directed Mr. Nobbe to provide backup for the additional work done and associated fees before the Board considered the matter further. The Board agreed that the Eastwood Amenity Center Subcommittee would consider the possibility of engaging an architect as the lead on the project moving forward, since the scope had expanded beyond what Oro Design could provide as a landscape architecture firm.

The Board considered its future meeting schedule and agenda items and agreed that (i) it would meet next month as regularly scheduled; and (ii) it would reschedule its January meeting for Monday, January 13th.

There being no further business to come before the Board, the meeting was adjourned at 8:25 p.m.

(SEAL)



Raven Dunbar
Secretary, Board of Directors

Date: December 16, 2024