

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

December 11, 2017

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on December 11, 2017, at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701. 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
David Chandos	Vice President
Michael McCloskey	Secretary
Dale Thornton	Assistant Secretary

Director Tom Slowbe was absent. Also present at the meeting were Andy Bilger of Vecendario Management, LLC; Dennis Hendrix of Crossroads Utility Services ("Crossroads"); Taylor Kolmodin of Municipal Accounts and Consulting ("MAC"); Daryl Goldman of DMG Construction; Garry Kimball of Special Public Finance; Bart Fowler of McCall Parkhurst & Horton; and Sue Brooks Littlefield of Armbrust & Brown, PLLC. Jason Jones of Jones Heroy & Associates arrived later.

Director Faske called the meeting to order at 12:00 noon and stated that the Board would first receive Board member remarks and citizens communications. There being none, Director Faske stated that the Board would consider taking action regarding the District's \$6,500,000 Unlimited Tax and Revenue Bonds, Series 2018 (the "Bonds"). Mr. Kimball then distributed the bid tabulation for the Bonds attached as **Exhibit "B"** and reviewed it with the Board. He stated that the District had received five bids and that the winning bid of 3.39% was much lower than the interest rate approved by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Kimball pointed out that the District would realize over \$1,300,000 in interest savings over the life of the Bonds based on this extremely low interest rate, noting that this would transfer into additional bonding capacity for the District. He recommended award of the sale to the low bidder. Robert W. Baird & Co., Inc. Mr. Fowler then reviewed the Order Authorizing the Issuance of \$6,500,000 Sonterra Municipal Utility District Unlimited Tax and Revenue Bonds, Series 2018; Levying an Ad Valorem Tax and a Pledge of Net Revenues of the District's Waterworks and Sanitary Sewer System in Support of the Bonds; Approving Official Statement; Authorizing the Execution of a Paying Agent/Registrar Agreement; Awarding the Sale of Bonds; and Authorizing Other Matters Related to the Issuance of Bonds attached as **Exhibit "C"**. He explained that the Order had been completed with the information from the low bid and reviewed the District's obligations and covenants under the Order. He noted that the Order would constitute the District's contract with the bond holders, including a covenant to levy a tax rate in support of the Bonds and also included a pledge of the net revenues of the District's utility systems. He noted that this Order included approval of the Paying Agent/Registrar Agreement and confirmed that the Order satisfied all Federal and State requirements. Mr. Fowler explained that he would file the transcript with the Attorney General in order to allow closing to occur on January 25th in accordance with the schedule the Board had

previously reviewed. After discussion, upon motion by Director Faske and second by Director Chandos, the Board voted 4-0 to approve the award of the sale of the Bonds to the low bidder and to adopt the Order as presented.

Director Faske then stated that the Board would consider approving an Amended and Restated Information Form. After discussion, upon motion by Director Faske and second by Director Thorton, the Board voted 4-0 to approve the Amended and Restated Information Form attached as **Exhibit "D"**.

Director Faske then stated that the Board would receive the bookkeeper's report and recognized Ms. Kolmodin. Ms. Kolmodin called the Board's attention to her report, attached as **Exhibit "E"**, the supplemental check register attached as **Exhibit "F"**, and the supplemental Capital Projects fund check register attached as **Exhibit "G"**. Ms. Kolmodin stated that the only check out of the ordinary was a blank check to Clawson Disposal, noting that she had not received an invoice and that she would complete the amount when the invoice was received. She recommended that all of the payments be approved as presented, with the voids noted. Ms. Littlefield requested approval of a check in the amount of \$20,000 to the Lone Star Regional Water Authority ("LSRWA") for the District's share of the Ortiz easement. Ms. Kolmodin stated that this additional check would be Check No. 12021. Upon motion by Director Faske and second by Director Chandos, the Board voted 4-0 to approve the bookkeeper's report and the payments as presented, with the void noted and the additional payment to LSRWA.

Ms. Littlefield then called the Board's attention to the Assignment of Undivided Interests in Easements attached as **Exhibit "H"** and explained that this document was necessary for the District to obtain an assignment of an interest in the easements that had been obtained by the LSRWA for joint use by the District and LSRWA. She requested approval of the assignment and stated that, for future joint easements, she had asked that the District be named as a co-grantee, which would avoid the necessity of this additional document. Upon motion by Director Faske and second by Director Chandos, the Board voted 4-0 to approve the Assignment.

Ms. Littlefield then presented the Electric Utility Easement and Covenant of Access attached as **Exhibit "I"** and explained that this easement was necessary to obtain electrical services to the well site. She added that Mr. Jones was obtaining a specific description of the easement to avoid granting an unfavorably structured blanket easement. Upon motion by Director Faske and second by Director Chandos, the Board voted 4-0 to approve the Easement contingent upon receipt of the deed to the well site from Rvest and the specific description from Mr. Jones.

Mr. Bilger requested that the Board consider changing the time for the January meeting to 5:00 p.m. as he had a conflict arise later in the evening. After discussion, the Board agreed to change the meeting time for the January 22, 2018 meeting to 5:00 p.m. and to include an item to change the regular meeting date and time on the January meeting agenda.

At this time, Mr. Jones arrived at the meeting. Director Faske stated that the Board would receive the engineer's report and recognized Mr. Jones. Mr. Jones reviewed the his report attached as **Exhibit "J"** with the Board. He presented Change Order No. 6 in the amount of \$51,514.38 attached as **Exhibit "K"**, for Water Plant No. 1 – Phase II Edwards Water Well Construction, which he explained was for the pump for the Edwards well, and requested approval. He explained that this pump would make it easier to change out the motor, and was a little more expensive, but would reduce the cost of maintenance going forward. He then presented Change Order No. 6 in the amount of \$75,895.67, attached as **Exhibit "L"**, for Water Plant No. 1 – Phase IIb Trinity Water Well Construction for the pump for the Trinity well and requested approval. Upon motion by Director Chandos and second by Director Faske, the Board voted 4-0 to approve the Change Orders, as presented.

The Board then directed that erosion control rules be added to the next meeting agenda due to problems with trash blowing onto adjoining property from home builder sites.

(SEAL)



SEAL OF THE SOUTHERN MUNICIPAL UTILITY DISTRICT WILLIAMSON CO.

Date: 1/24/2012

Date: 1/27/2018