

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

March 15, 2021

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on March 15, 2021 via videoconference pursuant to Section 551.127, Texas Government Code, as modified temporarily by Governor Greg Abbott, and pursuant to the related guidance from the office of the Texas Attorney General in connection with the Governor's COVID-19 Disaster Proclamation. Notice of the meeting 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 open to the public via the website link provided in the meeting notice. An electronic agenda packet for the meeting was provided online via the link included in the meeting notice and the meeting was recorded and made available at the same link.

The videoconference meeting was called to order at 6:03 p.m. and the roll of the members of the Board of Directors was called, as follows:

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| John Faske | - | President |
| Darrell Goldman | - | Vice President |
| Camy Lenn Reynolds | - | Secretary |
| Raven Dunbar | - | Assistant Secretary |
| Michael Cosimeno | - | Assistant Secretary |

All of the Directors were present. Also present at the meeting were Andy Bilger of Vecindario Management, LLC; Jason Jones of Jones-Heroy & Associates, Inc.; Dennis Hendrix of Crossroads Utility Services LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC; Edward Castro of Landscape Designs and Lawn Care LLC; Carter Dean of Armbrust & Brown, PLLC; and Tom Slowbe, a resident of the District.

Director Faske stated that the Board would first receive any Board member remarks or citizens communications. There being none, Director Faske stated that the Board would consider the audit of the District's financial statements for fiscal year ended September 30, 2020. Mr. Douthitt stated that the audit report was not finished, but that it would be ready for review and approval at the April Board meeting.

Director Faske next stated that the Board would consider the minutes of the February 8, 2021 and February 22, 2021 Board meetings. Upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve both sets of minutes.

Director Faske then recognized Mr. Bilger to present the manager's report. Mr. Bilger reported that the developer would soon solicit bids for the development of an additional 350 lots in the Eastwood tract, and that the first 350 lots being developed in that area would be completed in the next few months. He next reported that the Sonterra Homeowners' Association had signed contracts for the construction of splash pads and shade structures at the pool, noting that, once construction began, the contractor would place a temporary construction fence around the pool. He then stated that the developer's structural engineer would soon be finished with additional park plans, and that a final budget would soon follow. Mr. Bilger lastly stated that the linear park would begin following construction of the splash pads.

Director Faske then stated that the Board would receive the security patrol report. Director Reynolds reviewed the report with the Board. Director Faske stated that he had been approached by the City of Jarrell's police chief regarding providing patrol services and having a meeting to discuss the possibility. Director Faske and Director Reynolds agreed that they would meet with the police chief and would report back to the Board regarding the meeting at the following Board meeting.

Director Faske then announced that the Board would consider the park and recreational facilities items on the agenda. Mr. Dean presented the Professional Services Agreement Between Cool Water Municipal Utility District and Sonterra Municipal Utility District attached as **Exhibit "B"** and explained that, under the agreement, the District would collect park fees on behalf of Cool Water Municipal Utility District. Upon motion by Director Goldman and second by Director Reynolds, the Board voted unanimously to approve the agreement, as presented.

Director Faske next recognized Mr. Castro to present the mowing and landscaping maintenance report to the Board. Mr. Castro reviewed his report and stated that mowing and landscaping had generally been going well. He then stated that he would work with the contractors constructing the splash pad at the pool to make sure that the irrigation system would continue to function properly while the construction fence was in place. Director Goldman stated that the perimeter of the lot would need temporary irrigation for the trees while the fence was in place.

Director Faske stated that the Board would next receive a report from the District operator. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "C"**, and reviewed it with the Board. He advised the Board that, as of the end of February, the District had 3,064 occupied single-family connections, an estimated population of 9,192, and a total of 3,576 accounts and that there had been 19 new taps sold in February and a total of 243 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 7.8% during the prior reporting period. He stated that he had no write-offs to request and that he had no system maintenance issues on which to report. He concluded his report by stating that operations had returned to normal following the winter storm.

Director Faske next stated that the Board would consider the water, wastewater, and rate matters on the agenda. Mr. Dean presented the Order Establishing Service Rates, Charges, and Tap Fees and Adopting Rules and Policies With Respect to the District's Water, Wastewater, and Drainage Systems attached as **Exhibit "D"** (the "*Revised Rate Order*") and reviewed it with the Board. He stated that, among other things, the Revised Rate Order included the District's proposed new water impact fee, revised tap fees to cover the costs of the installation of electronic meters, and a new rate structure for out-of-district customers. Mr. Jones stated that the District's application to the Texas Commission on Environmental Quality (the "*TCEQ*") for approval of its water impact fee had still not been approved. He suggested that the Revised Rate Order be approved contingent upon approval of the impact fee from the TCEQ. Mr. Jones then stated that the Board had approved raising rates 10% for commercial customers in early 2020, but that the increase had mistakenly not been implemented. Mr. Hendrix stated that Crossroads would implement this change going forward. After discussion, upon motion by Director Goldman and second by Director Reynolds, the Board voted unanimously to approve the Revised Rate Order, contingent upon approval of the water impact fee by the TCEQ. Mr. Jones next reported that the City of Jarrell had begun construction of the next phase of its wastewater treatment plant, which would increase its capacity to 2 MGD. Mr. Hendrix then stated that the flow meter that was necessary to verify flows to the wastewater treatment plant had been installed, and that Crossroads would begin reading the meter daily to gather the flow data.

Director Faske then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones called the Board's attention to and reviewed his report, attached as **Exhibit**

“E”. He first reviewed the Construction and Development Summary included in his report, which summarized the status of all development occurring within the District’s service area, noting that much of the activity was taking place outside of the District’s boundaries, and that 1,551 LUEs were currently under some stage of construction. He then presented the following pay applications from DNT Construction, LLC: (1) Pay Application No. 5 for Eastwood Phase I in the amount of \$323,019.00; (2) Pay Application No. 3 for Eastwood Phase II in the amount of \$72,835.00; (3) Pay Application No. 4 for Eastwood Phase II in the amount of \$199,701.45; and (4) Pay Application No. 5 for Eastwood Phase III in the amount of \$6,984.00, attached collectively as **Exhibit “F”**, and recommended approval. Upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve the pay applications, as presented. Mr. Dean then reported that the two offsite wastewater easements required, adjacent to CR 315, had finally been acquired and that the District would not need to file a condemnation petition and proceed with an eminent domain proceeding. Mr. Jones commented that the District would need to acquire more offsite utility easements in the near future. Mr. Jones then stated that there would be no action taken with respect to out-of-district service to Cornhill Business Park, as there had not yet been an agreement drafted to provide the service. Mr. Jones stated that he had not heard back from Ms. Ischy regarding her request for wastewater service to her residence adjacent to CR 313, and recommended that the item be removed from the agenda. Mr. Jones lastly stated that he expected the TCEQ to approve the District’s application to impose an impact fee in the next few weeks.

Director Faske then stated that the Board would receive a report from the District’s bookkeeper. Mr. Douthitt reviewed the bookkeeper’s report attached as **Exhibit “G”** and recommended approval of four transfers, the Director and vendor payments, and the renewal of one certificate of deposit. He also requested ratification of the money wired to the landowners for the two offsite wastewater easements located adjacent to CR 315, which were approved by the subcommittee tasked with handling the easement negotiations. Mr. Douthitt then advised that the District was ahead of budget for the fiscal year, so far, due to additional service revenues and new connections. After discussion, upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve the transfers, the Director and vendor payments, the renewal of the certificate of deposit, and the money wired for the two offsite wastewater easements.

Director Faske then announced that the Board would consider cooperation with the City of Jarrell and Jarrell Independent School District during emergencies. Director Reynolds stated that she had attended a City of Jarrell city council meeting following the winter storm, and that she had spoken to the city council regarding potentially working with the District to form an emergency response plan for events such as the winter storm. Mr. Jones stated that the District had a connection with the Lone Star Regional Water Authority system that could be used to send water backwards from the District, which could be used by the City of Jarrell. He then stated that an emergency interconnect agreement would need to be entered into in order to provide water to the City of Jarrell in this manner during an emergency. Mr. Hendrix stated that he would reach out to Lone Star Regional Water Authority’s attorney to send a draft of such an agreement to the District to get the process moving. Director Reynolds then asked Mr. Dean whether he had located a service that would allow the District to send text messages to its residents during an emergency. Mr. Dean responded that he had not, but that he would continue to look for one. Director Reynolds then suggested that a subcommittee be formed to work on an emergency plan for the District. The Board agreed that Director Reynolds and Director Cosimeno would comprise the subcommittee and would work on developing an emergency plan.

Director Faske next stated that the Board would receive the attorney’s report. Mr. Dean reported that Governor Greg Abbott’s Disaster Proclamation had been extended, and that he expected that the Board would continue to be permitted to hold its meetings remotely.

Director Faske then stated that the Board would consider its future meeting schedule and agenda items. The Board generally agreed that it would hold its next meeting on the regularly scheduled date by videoconference.

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

(SEAL)



Camy Reynolds

Camy Lenn Reynolds
Secretary, Board of Directors

Date: April 19, 2021