

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

February 22, 2021

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on February 22, 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 6:00 p.m. and the roll of the members of the Board of Directors was called, as follows:

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 ("Jones-Heroy"), Inc.; Dennis Hendrix of Crossroads Utility Services LLC ("Crossroads"); Allen Douthitt of Bott & Douthitt, PLLC ("Bott & Douthitt"); Edward Castro of Landscape Designs and Lawn Care LLC; Carter Dean of Armbrust & Brown, PLLC; and Lyn Ischy, 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 the fiscal year ended September 30, 2020. Mr. Douthitt stated that he was finishing closing the books before delivering them to Ms. Martin, the District's auditor, noting that it was taking longer than usual due to the District's recent transition to Bott & Douthitt as its bookkeeper.

Director Faske next stated that the Board would consider the minutes of the January 18 and January 25, 2021 Board meetings. Upon motion by Director Cosimeno and second by Director Faske, the Board voted unanimously to approve the minutes of both meetings.

Director Faske next recognized Mr. Bilger to present the manager's report. Mr. Bilger reported that the District had fared relatively well during the recent winter storm, and thanked Mr. Hendrix for his efforts during the event. Mr. Hendrix stated that the District's water and wastewater systems stayed online through the entire storm without pressure loss. Mr. Bilger stated that Director Reynolds worked with him and Mr. Hendrix to fill multiple 7,250 gallon water totes to provide water to residents of the City of Taylor, which system failed during the storm. Mr. Bilger thanked Director Reynolds for her efforts during the storm. Mr. Jones stated that the City of Jarrell (the "City") used the emergency interconnect with the District during the storm, which allowed the City to continue to provide uninterrupted service to its customers

during the storm. Mr. Bilger then stated that the storm caused no damage at the District's office building and minor damage at the pool. Director Reynolds asked Mr. Bilger and Mr. Dean to research potential systems for communication between the District and its residents in the event of emergencies or other urgent matters, such as a mass text service.

Director Faske then stated that the Board would receive the security patrol report. In response to an inquiry by Director Faske at the prior Board meeting, Director Reynolds stated that she believed the current number of security patrol hours provided by the District was appropriate and should be maintained indefinitely.

Director Faske next recognized Mr. Castro to present the mowing and landscaping maintenance report to the Board. Mr. Castro reviewed his report and stated mowing and landscaping matters had generally been going well, and that his crew had installed some new irrigation lines in Bailey Park. He then stated that his crew had successfully winterized the District's irrigation system before the winter storm. He stated that his crew had turned off the system before the storm, and was now in the process of turning it back on.

Director Faske stated that the Board would next receive the District operator's report. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "B"**, and reviewed it with the Board. He advised the Board that, as of the end of January, the District had 2,929 occupied single-family connections, an estimated population of 8,991, and a total of 3,565 accounts and that there had been 31 new taps sold in January and a total of 224 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 7.21% 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. Mr. Hendrix then reported that the District was one of the few districts that Crossroads managed that did not have significant operational issues during the winter storm that occurred a few weeks earlier. He stated that during the weather event, the District supplied water from its wells rather than from Lone Star Regional Water Authority, but had no pressure loss and did not have to issue a boil water notice. Mr. Hendrix next stated that Crossroads would need to collect 120 water samples that year for the District to comply with applicable regulations regarding lead and copper testing. He stated that the most effective way to collect such samples was through a credit program, which would involve customers providing samples directly to Crossroads and completing a questionnaire in exchange for a credit applied to the customer's next bill. Mr. Hendrix recommended a \$25 credit be applied in exchange for a sample and completion of a questionnaire, and that the amount be raised to \$50 if customers were not sufficiently incentivized by the original amount. After discussion, upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the credit amounts recommended by Mr. Hendrix.

Director Faske next stated that the Board would consider the water, wastewater, and rate matters on the agenda. Mr. Dean stated that he had drafted revisions to the District's Rate Order, but that he was waiting to receive comments on the revisions from Mr. Douthitt and Mr. Jones before presenting it to the Board for consideration. Mr. Jones then stated that the Texas Commission on Environmental Quality had not yet issued an order approving the District's proposed impact fee, but that he expected to receive it within the next few weeks.

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 "C"**. He first presented Pay Application No. 4 from DNT Construction in the amount of \$259,548.03 for Eastwood Phase I and Pay Application No. 4 from DNT Construction in the amount of \$378,090.45 for Eastwood Phase III and recommended approval. Upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve both Pay Applications. Mr. Dean then stated that the final offer letter for the acquisition of two offsite wastewater easements that the District required had been sent and that a condemnation suit

could be filed on March 8th if the signed easements were not received by then. He recommended that the Board meet on March 8th to authorize filing of the suit, since it must make certain findings in an open meeting as a precondition to filing suit. The Board agreed to hold a special meeting on March 8th for that purpose. Mr. Jones then stated that the District had sufficient wastewater pass-through capacity and fireflow capacity to serve the proposed Cornhill Business Park, as requested by the City. He stated that the City did not have the necessary lines to transport wastewater from the development to the City's wastewater treatment plant, but that it planned on building the lines in the next few years, eventually abating the need to pass the wastewater through the District's system. Mr. Jones stated that the request was for 90 LUEs and that businesses in the development may include a grocery store, a car wash, and a meat market, among other things. Mr. Jones recommended basing the cost to the City for the service upon the District's base rate per LUE of wastewater service per month. Upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to authorize Mr. Jones and Mr. Dean to negotiate and draft an agreement with the City to provide the requested service to the City. Ms. Ischy then requested that the District provide service to her house located north of CR 313. She stated that she had paid property taxes to the District for 14 years, which she believed covered a significant portion of the cost of extending wastewater lines to her house. She also stated that her neighbor requested wastewater service from the District. Director Faske asked that Ms. Ischy present evidence of the amount of taxes paid to the District to the Board for consideration, as well as a letter from Ms. Ischy and her neighbor formally requesting service. Ms. Ischy agreed to do so. Mr. Jones then presented a proposal from Elston Johnson and Associates to perform and certify with the United States Environmental Protection Agency on behalf of the District a risk and resiliency assessment, as required by America's Water Infrastructure Act of 2018. Mr. Dean asked Mr. Jones if the proposal covered the emergency response plan requirement of the AWIA as well. Mr. Jones stated that it did not, but that that would be included in a proposal at a later date. Upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve the proposal attached as **Exhibit "D"**. Mr. Dean then presented the license agreement with Master Meter for the software to be used in conjunction with the District's new electronic meters. Upon motion by Director Goldman and second by Director Faske, the Board voted unanimously to approve the license agreement attached as **Exhibit "E"**.

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 "F"** and recommended approval of five transfers, the Director and vendor payments, and renewal of a CD. Upon motion by Director Goldman and second by Director Cosimeno, the Board voted unanimously to approve the transfers, the Director and vendor payments, and the CD renewal.

Director Faske next stated that the Board would receive the attorney's report. Mr. Dean reminded the Directors to complete their annual cybersecurity training by June 14th of that year.

Director Faske then stated that the Board would consider its future meeting schedule and agenda items. The Board generally agreed to hold its next meeting by video conference.

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: March 15, 2021