

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

December 13, 2021

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on December 13, 2021, 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:

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

All of the Directors were present, thus constituting a quorum. Also present at the meeting were 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; Robin Barfield of the Jarrell Community Library (the “Library”); Elston Johnson of Elston Johnson & Associates; Rhonda Redden, candidate for Williamson County Justice of the Peace Precinct No. 4; and Carter Dean of Armbrust & Brown, PLLC.

After the Pledges of Allegiance to the United States and Texas flags, Director Faske stated that the Board would receive any Board member remarks or citizens communications. Ms. Redden addressed the Board and stated that she was running for Williamson County Justice of the Peace Precinct No. 4 in the upcoming election. She reviewed her qualifications for the position and asked for support in the election.

Director Faske then stated that the Board would consider matters related to the Library, including the office lease for the 2022 calendar year. Ms. Barfield addressed the Board, stating that she would begin bringing a Library report, the first one attached as **Exhibit “B”**, to the Board meetings. She next stated that the Library’s winter festival had gone well. She then stated that the City of Jarrell had committed to help fund the Library’s accreditation. She asked that the Board consider providing District-support of the Library, such as in the form of reduced rent on the Library’s lease of the District’s office building, since District residents made up a large percentage of the Library’s patrons. Mr. Dean reviewed the 2022 office lease attached as **Exhibit “C”** with the Board. Ms. Barfield asked that the one year term be revised to two years. After discussion, upon motion by Director Cosimeno and second by Director Reynolds, the Board voted unanimously to approve the office lease, as would be revised by Mr. Dean to extend the term to two years and adjust the security deposit to zero, with the understanding that the deposit from the prior lease agreement was still held by the District.

Mr. Faske next announced that the Board would receive a report from Mr. Johnson regarding the emergency response plan his firm had completed for the District pursuant to America’s Water Infrastructure Act of 2018 (the “AWIA”). Mr. Johnson provided a high-level overview of the emergency response plan, which he stated was based on the risk resiliency

assessment completed earlier that year. He then stated that, upon District approval, he would certify completion of the emergency response plan to the Environmental Protection Agency by the December 31st deadline. Upon motion by Director Cosimeno and second by Director Goldman, the Board voted unanimously to approve the emergency response plan and to authorize Mr. Johnson to make the required certification.

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 "D"** and recommended approval of the transfers, the Director and vendor payments, and renewal of certificates of deposit. He noted that the District was ahead of budget due to the large amount of water sales. He then stated that the Board may need to hold a special Board meeting in early February to approve the audit of the 2020-2021 fiscal year in order to make the filing deadline. 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, and the certificate of deposit renewals. Mr. Douthitt then stated that he determined the District had approximately \$376,000 left to pay off the note on its office building. Director Goldman asked what the original amount was. Mr. Douthitt responded that it was approximately \$465,000.

Director Faske next stated that the Board would consider the District's \$12,910,000 Unlimited Tax and Revenue Bonds, Series 2021 (the "**Bonds**"). Mr. Jones reviewed the pre-purchase inspection letter the Texas Commission on Environmental Quality ("**TCEQ**") attached as **Exhibit "E"** with the Board and stated that it was "clean", meaning that the TCEQ had identified no issues with the facilities. Mr. Dean then reviewed the addendum to engagement letter with BLX Group attached as **Exhibit "F"** and recommended that the District approve the addendum to add the Bonds to the list of bond issues that BLX Group would monitor for arbitrage rebate compliance. Mr. Dean next reviewed the arbitrage and private use materials from McCall, Parkhurst & Horton, L.L.P. attached as **Exhibit "G"** with the Board. Mr. Dean then reviewed the arbitrage rebate review and yield restriction compliance letter form BLX Group for the District's \$5,55,000 Unlimited Tax and Revenue Bonds, Series 2016 attached as **Exhibit "H"** and stated that the District did not incur an arbitrage rebate or yield restriction liability through November 22, 2021. Upon motion by Director Goldman and second by Director Reynolds, the Board voted unanimously to approve the addendum to the engagement letter with BLX Group.

Director Faske next announced that the Board would consider approving the minutes of the November 15, 2021 Board meeting. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the minutes.

Director Faske then announced that the Board would not receive the manager's report since Mr. Bilger was absent.

Director Faske then stated that the Board would consider the parks and recreational facilities items on the agenda, including the status of hiring a parks and recreation manager and the purchase of additional park land. Director Reynolds stated that she had made a handful of minor revisions to the job description for a parks and recreation manager and asked Mr. Bilger to post the job listing. Director Goldman informed the Board that bids were being obtained for fences around the new splash pads located outside of the pool area.

Director Faske next stated that the Board would discuss the security items on the agenda, beginning with the security patrol report. Director Reynolds reviewed the report with the Board and stated that she had no additional security-related items to discuss with the Board at that time.

Director Faske next recognized Mr. Castro to present the mowing and landscaping maintenance report to the Board. Mr. Castro reviewed his report attached with the Board. Mr. Dean stated that the Landscape Maintenance Agreement between the District and Landscape Designs and Lawn Care LCC would expire at the end of the month. He presented the draft Landscape Maintenance Agreement for 2022 attached as **Exhibit “I”** to the Board. Mr. Castro stated that the agreement needed to be revised to revise the mowing map. After discussion, upon motion by Director Goldman and second by Director Cosimeno, the Board voted unanimously to approve the Landscape Maintenance Agreement, as would be revised by Mr. Dean to include the updated mowing map.

Director Faske then stated that the Board would receive a report from the District operator. Mr. Hendrix presented Crossroads’ report, attached as **Exhibit “J”**, and reviewed it with the Board. He advised the Board that, as of the end of November, the District had 3,548 occupied single-family connections, an estimated population of 10,644, and a total of 3,787 accounts and that there had been no new taps sold in November and a total of zero for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 0.09% during the prior reporting period. Mr. Hendrix stated that he had sent no write-offs to collections. Mr. Hendrix reported that the District’s water facilities were operating well. He then presented the proposal attached as **Exhibit “K”** from HydroPro Solutions, Inc. for the purchase of smart meters to be installed to replace the existing meters. Upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the proposal. Director Faske asked if the old meters that would be replaced could be sold or had any salvage value. Mr. Hendrix responded that it may be possible to sell them to other entities needing water meters in the future, and that the old meters would be saved until such an opportunity had been identified. The Board then engaged in discussion regarding recouping costs from Suddenlink and its contractor arising from breaking the District’s water and wastewater lines during installation of telecommunication lines, and the scope of televising the broken lines for debris. After discussion, upon motion by Director Faske and second by Director Goldman, the Board voted unanimously to approve Crossroads to televise the relevant wastewater lines for an amount not to exceed \$50,000 and to establish a subcommittee with the authority to act with respect to these matters, consisting of Directors Faske and Goldman.


Director Faske then recognized Mr. Jones for the purpose of receiving the engineer’s report. Mr. Jones reviewed his report with the Board, attached as **Exhibit “L”**. He next presented and recommended approval of Pay Application No. 3 in the amount of \$171,326.20 and Change Order No. 1 in the amount of \$13,121.05 from TTE, LLC for the Water Treatment Plant No. 1 High Service Pump Station, attached collectively as **Exhibit “M”**. Upon motion by Director Goldman and second by Director Dunbar, the Board voted unanimously to approve the pay application and change order presented. Mr. Jones concluded his report by stating that he had confirmed completion of the internal water and wastewater system in Rio Lobo and issued a letter to Crossroads authorizing commencement of service to the subdivision.

Director Faske stated that the Board would receive a report from the District’s attorney. Mr. Dean stated that Mr. Jones and Mr. Hendrix had generally determined what uses the District may be able to use funding from the American Rescue Plan Act (ARPA) if it were to receive such funding. Mr. Dean stated that he would draft a letter requesting ARPA funds from Williamson County for these purposes.

There being no further business to come before the Board, the meeting was adjourned at 7:09 p.m.

(SEAL)





Camy Reynolds
Secretary, Board of Directors

Date: January 17, 2021