

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

March 28, 2022

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 March 28, 2022, 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:

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; Andy Bilger, of Vecindario Management, LLC; Carter Dean of Armbrust & Brown, PLLC; and Lyn Ischy, a resident of the District.

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. There being none, Director Faske stated that the Board would next consider approving the minutes of the February 21, 2022 Board meeting. Upon motion by Director Goldman and second by Director Reynolds, the Board voted unanimously to approve the minutes, as presented.

Director Faske next announced that the Board would receive a report from the District manager and recognized Mr. Bilger. Mr. Bilger provided an overview of the status of construction of various parks and recreational projects located in the Districts. He next reported that he had been in contact with a swimming instructor who would provide lessons at the District's pool that summer. Director Reynolds stated that she had hoped to be provided the opportunity to consider lifeguards providing swim lessons, rather than a third party instructor, in order to provide additional income for the lifeguards and the District. Director Cosimeno agreed. Director Reynolds stated that swim lessons could be provided by a third part this year, but that she would like the Board to consider the lifeguards providing lessons in future summers.

Director Faske then stated that the Board would consider the District website. Mr. Bilger stated that the Board subcommittee authorized to review and modify the proposed parks and recreational facilities website had done so, and that the website had since been approved and "gone live".

Director Faske next announced that the Board would consider parks and recreational facilities and recognized Mr. Bilger. Mr. Bilger provided an update regarding the developer's

plans for construction of various parks and recreational facilities in the District. He next provided an update regarding the status of hiring a District Parks and Recreation Manager. Director Reynolds recommended shortening the job description and increasing the listed compensation. The Board generally agreed. Director Reynolds stated that she would work with Mr. Bilger to revise the job posting as discussed. Director Reynolds next stated that the Sonterra West Homeowners' Association (the "HOA") had been permitted by the Jarrell Independent School District to hold its Fourth of July festival on school property. However, the HOA had requested that the District organize the festival the following year. The Board discussed possible locations for the event, including one of its detention ponds. The Board agreed to see how the festival went this year and consider whether the District would organize the festival going forward at a later date. Director Reynolds next stated that she believed the Board should consider purchasing the park land that had been offered to the District a few months prior. Director Faske stated that the District should build out its park facilities on the land it currently owns before considering buying additional land. Director Reynolds stated that she was concerned that the District would become boxed in over time, and that the land would no longer be available to purchase in the future if the District needed more park land. After discussion, the Board generally agreed that it would not pursue the purchase of park land at this time.

Director Faske next announced that the Board would consider items related to District security. Ms. Reynolds reviewed the security patrol report attached with the Board and stated that patrol officers from the Williamson County Sheriff's Office (the "Sheriff's Office") had been providing extra patrol hours on County time, rather than under the District's agreement with the Sheriff's Office, noting that if this trend continued, the District may be able to lower the number of patrol hours requested under its agreement with the Sheriff's Office.

Director Faske then stated that the Board would consider items related to mowing and landscape maintenance. Mr. Castro stated that he had nothing to report to the Board in addition to his monthly report.

Director Faske then stated that the Board would receive a report from the District operator. 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 3,571 occupied single-family connections and a total of 3,954 accounts and that there had been 54 new taps sold in February and a total of 186 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 14.04% during the prior reporting period. Mr. Hendrix stated that he had sent four write-offs to collections. He next reported that dry utility contractors continued to hit service lines and that Crossroads was doing its best to educate the contractors in order to avoid this, as well as collect from them the costs of any necessary repairs. He then stated that HydroPro agreed to the Board's request regarding retroactively applying the lower monthly fee for installed electronic meters, however, the second tranche of meters would not arrive for roughly 20 months. He added that the first and second tranches of meters would be installed at the same time in order to reduce costs. Mr. Hendrix then reviewed the quotation from Aqua-Tech Laboratories, Inc. for water testing attached as **Exhibit "C"**, which he stated was necessary to comply with regulations of the Texas Commission on Environmental Quality. He advised that approval of the quotation was unnecessary at this time though, and that the cost would be included in the budget for the next fiscal year.

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 "D"**. He then stated that Ms. Ischy, who had addressed the Board in early 2021, was requesting that the District construct a wastewater line to serve her home on CR 313. He reminded the Board that it had determined at an earlier date that the cost of construction of the line would be borne by Ms. Ischy, but would be reduced by the amount of taxes to the District by Ms. Ischy since she lived in the District. Mr. Jones stated that the amount to be paid by Ms. Ischy would be less if her

neighbor, who had also expressed interest in obtaining wastewater service from the District, confirmed that he was still interested, in which case a portion of the cost of the line would be allocated to him and the total cost would be further reduced by his total taxes paid to the District. Ms. Ischy stated that she believed that the District should contribute to the cost of the line. Mr. Jones stated that it would, in the amount of the taxes previously paid by Ms. Ischy and potentially her neighbor. Ms. Ischy stated that she did not believe that was sufficient. After discussion, upon motion by Director Goldman and second by Director Dunbar, the Board voted unanimously to direct Mr. Jones and Mr. Dean to prepare a cost-sharing agreement with Ms. Ischy, if she was still interested in construction of the wastewater line. Mr. Jones next presented and recommended approval of Pay Application No. 6 for Water Treatment Plant No. 1 High Service Pump Station and Pay Application No. 7 for Eastwood Sections 7 and 8 attached collectively as **Exhibit "E"**, and administrative acceptance of Eastwood Sections 7 and 8, since the only thing outstanding on the project was the receipt of certain close out documents. Upon motion by Director Dunbar and second by Director Goldman, the Board voted unanimously to approve the pay applications and administrative acceptance, as recommended by Mr. Jones. Mr. Jones also recommended that, with respect to the Water Treatment Plant No. 1 High Service Pump Station, the District authorize Cuplin & Associates to perform the survey necessary for an easement to Oncor Electric for a transformer, approve the Letter of Agreement with Oncor for electric service attached as **Exhibit "F"**, and authorize Jones-Heroy to send a letter to Bartlett Electric providing notice of the change of provider and canceling electric service to the site. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the recommendations made by Mr. Jones with respect to the Water Treatment Plant No. 1 High Service Pump Station. Mr. Jones next explained that Williamson County was in the design phase for the widening and reconstruction of CR 314 and CR 332 within the District's service area. He noted that Williamson County intended to construct the widened CR 332 on top of the District's 12-inch water line and associated easement. After discussion, upon motion by Director Goldman and second by Director Cosimeno, the Board voted unanimously to require Williamson County to pay the construction and easement costs to relocate the District's water line outside of the proposed right-of-way.

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 the transfers and the Director and vendor payments listed in his report, as well as the certificates of deposit. After discussion, upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the transfers, the Director and vendor payments, and the renewal of the certificates of deposit.

Director Faske stated that the Board would receive a report from the District's attorney. Mr. Dean reviewed with the Board Amendment No. 2 to Consent to Partial Assignment of Amended and Restated Agreement for the Provision of Retail Water and Wastewater Services (Eastwood – 33.110 acres) attached as **Exhibit "H"**. He stated that it would amend the consent that the Board had previously provided to SonWest Co. to assign its interest in the retail water and wastewater services agreements with the District to extend the consent termination date to April 1st. He next reviewed with the Board the Partial Assignment of Agreement for the Provision of Retail Water and Wastewater Services (FR Eastwood, LLC to Starlight Texas, LLC); the Consent to Partial Assignment of Agreement for the Provision of Retail Water and Wastewater Services (Eastwood – 24.071 acres) [FR Eastwood, LLC to Starlight Texas, LLC]; the Partial Assignment of Utility and Park Facility Construction, Advances, and Reimbursement Agreement (Eastwood Sonterra – 28.623 acres); and the Consent to Partial Assignment of Utility and Park Facility Construction, Advances, and Reimbursement Agreement (Eastwood – 28.623 acres; FR Eastwood, LLC to Starlight Texas, LLC) attached collectively as **Exhibit "I"**, and stated that the documents effectively granted FR Eastwood, LLC, the land banker to Starlight Texas, LLC, to convey part of its rights under the retail services agreement and reimbursement agreement with the District to Starlight Texas, LLC to ensure that the entity that was paying for reimbursable

items under those agreements would be able to be reimbursed by the issuance of bonds at a later date, and that these items essentially constituted “clean-up”. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the documents presented by Mr. Dean.

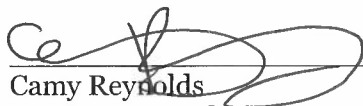
Director Faske next recognized Mr. Dean to review the election items on the supplemental agenda. Mr. Dean stated that the May 7th Director Election was uncontested since only two applications to be placed on the ballot had been received by the deadline, and there were only 2 positions on the Board up for election that year. He stated that the applicants were Director Reynolds and Daniel Islas, noting that their terms of office would begin on May 7th. Mr. Dean reviewed the Order Declaring Election of Unopposed Candidates and Canceling May 7, 2022 Director Election (the “*Order*”) attached as **Exhibit “J”** with the Board and recommended its approval. Upon motion by Director Reynolds and Director Cosimeno, the Board voted unanimously to approve the Order.

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

(SEAL)



Date: April 18, 2022



Camy Reynolds
Secretary, Board of Directors