

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

July 18, 2022

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on July 18, 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:

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| Camy Reynolds | - | President |
| John Faske | - | Vice President |
| Michael Cosimeno | - | Secretary |
| Raven Dunbar | - | Assistant Secretary |
| Daniel Islas | - | Assistant Secretary |

All of the Directors were present, thus constituting a quorum. Also present at the meeting were Jason Jones and Keith Collins of Jones-Heroy & Associates, Inc.; Dennis Hendrix of Crossroads Utility Services LLC ("*Crossroads*"); Allen Douthitt of Bott & Douthitt, PLLC; Carter Dean of Armbrust & Brown, PLLC; Susan Gregurek of the Jarrell Community Library; Andy Bilger, Darrell Goldman, and Danielle Smith of Vecindario Management, LLC; David Smith, David Dagar, and other residents 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. Director Faske recognized Mr. Smith, who stated that he did not believe that his water meter was being read, since it had grass growing over it; that he had noticed a decrease in water clarity recently, which he believed was attributable to the water being in part from Lake Granger; and that he believed that the water and wastewater rates in the District were too high. Director Faske next recognized Mr. Dagar, who stated that he was informed by the lifeguards at the District's pool that his child was not allowed to use a certain type of floatation device in the pool. He stated that this was nonsensical, since the floatation device was Coast Guard-approved.

Director Faske announced that the Board would next consider approving the minutes of the June 20, 2022 Board meeting. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the meeting minutes.

Director Faske next stated that the Board would receive a report from the District manager. Mr. Bilger stated that he understood the frustration regarding the pool rule prohibiting floaties in the adult pool, and noted that the lifeguards were just following the rules as they had been instructed to do. He stated that many rules, such as the present one, had not been enforced historically, but were being enforced now. He then stated that he believed the current rule was not good and should be modified. Director Faske stated that, whatever the pool's rules were, they needed to be consistent so that the lifeguards could enforce them. He suggested that children be allowed to use floaties in the adult pool, of types to be determined by Ms. Smith, but that such children, and children that could not swim, be required to be within arms-length of an adult at all times. The Board generally agreed with the suggested policy.

Director Reynolds asked Ms. Smith to create a graphic depicting the types of floatation devices that were allowed, post a sign with the graphic at the pool, and post the graphic on the District's website. Ms. Smith stated that she would do so. Director Faske stated that the list of Coast Guard-approved floatation devices should be considered when determining the list of approved-floatation devices. Ms. Smith next stated that due to the lack of a functioning ice machine, she would deliver ice to the pool for the lifeguards herself. Director Faske directed Mr. Bilger to purchase an ice machine for the pool.

Director Faske next stated that the Board would consider items related to the District's parks and recreational facilities. Mr. Bilger stated that one of the District's new splash pads had been functioning for about two weeks before someone cut one of its lines. He stated that he had received one bid to make the required repairs and was waiting on another. He next stated that he needed to purchase cameras for the bike and skate tracks to monitor for vandalism and damage caused by those on motorized vehicles. Mr. Bilger then stated that a part of the splash pad located outside of the pool was scheduled to arrive the next day and would be installed soon. He stated that he recognized that the splash pads should not be experiencing the number of issues that they currently were, and that the company that installed them was flying in to inspect the splash pads and make sure all of the issues were finally resolved. Mr. Bilger then stated that the new playscape equipment would likely be installed near the end of the summer. Director Cosimeno asked what the timeline was for the soccer fields. Mr. Bilger responded that he expected them to be complete in around 30 days. Mr. Dean presented the request from Williamson County attached as **Exhibit "B"** to utilize the District's clubhouse as a polling location for the November 8, 2022 election. Director Reynolds asked if the days requested had already been booked. Ms. Smith stated that they had not been. After discussion, upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the County's use of the District's clubhouse for early and Election Day voting on the requested dates, and directed Ms. Smith and Mr. Dean to coordinate with Williamson County as appropriate. Mr. Hendrix stated that the utility bill inserts requesting donations to the library were not included in the last billing. Mr. Bilger stated that he would coordinate with Mr. Hendrix to have the utility bill inserts including the next billing cycle on a trial run basis.

Director Faske next announced that the Board would consider items related to District security. Ms. Reynolds reviewed the security patrol report with the Board. She stated that she had met with Chief Denney of the City of Jarrell and that they were currently working on a plan to potentially incorporate service from the Jarrell Police Department increasingly over the coming years.

Director Faske then stated that the Board consider mowing and landscape maintenance items. Mr. Castro referred the Board to his report summarizing the prior month's landscape maintenance, and stated that he had nothing else to add. Mr. Faske directed Mr. Dean to look into the higher-than-usual landscape maintenance bill from a few months prior.

Director Faske then stated that the Board would 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 June, the District had 3,629 occupied single-family connections and a total of 4,241 accounts and that there had been 166 new taps sold in June and a total of 564 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 17.4% during the prior reporting period. Mr. Faske stated that the water loss was unacceptable and directed Mr. Hendrix to require anyone performing flushing to have a member of the Crossroads team on site to provide supervision. Mr. Faske directed Mr. Jones to assist Mr. Hendrix as appropriate, and Mr. Dean to send a letter to any responsible parties notifying that of the supervision requirement. Mr. Hendrix then addressed the issue regarding water clarity raised by Mr. Smith. He stated that the discolored water was purely an aesthetic issue, and that the water was clean and safe to drink, noting that the discoloration was caused by

iron manganese in the District's well water. Director Faske directed Mr. Bilger to discuss water rates with Mr. Smith.

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"**, and provided an update regarding development projects currently underway. He stated that District acceptance of Rio Lobo and Cool Water Phase 2 was still pending since there were still outstanding close-out documents. He next presented Pay Application No. 10 from TTE in the amount of \$24,750 for the Water Treatment Plant No. 1 High Service Pump Station, attached as **Exhibit "E"**, and recommended approval. Director Faske asked why progress on the project had slowed. Mr. Jones responded that they were waiting on the driller to mobilize. After discussion, upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve Pay Application No. 10. Mr. Jones then reviewed the Joint Water, Wastewater, and Drainage Facilities Agreement attached as **Exhibit "F"** with the Board and recommended approval. He stated that it was necessary to allocate costs of constructing certain facilities in Eastwood Sections 4, 5, and 6 between the District and Cool Water MUD for purposes of developer reimbursement. Upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the Joint Water, Wastewater, and Drainage Facilities Agreement. Mr. Jones then stated that the District's next bond issue might be its last utility bond issue, and stated that he expected to submit the application within the next month. To that end, he requested the Board's approval of the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds (the "**Resolution**") attached as **Exhibit "G"**. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted unanimously to approve the Resolution. Mr. Jones concluded his report by advising that the District determine whether it would like to participate in the effort of the entities included in the Lone Star Regional Water Authority to construct the facilities to obtain additional water. The Board appointed Director Faske and Director Reynolds to discuss the question with Mr. Jones and make a recommendation to the Board its next meeting.

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 "H"** and recommended approval of the transfers and the Director and vendor payments as listed in his report, and approval of the upcoming bond payments. After discussion, upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the transfers and the Director and vendor payments, and to make the bond payments.

Director Faske stated that the Board would receive a report from the District's attorney. Mr. Dean reviewed his directives with the Board. He then presented a presented the Amended and Restated Rules Regarding Erosion Control and Protection of the District's Facilities, Land and Easements attached as **Exhibit "I"**, which he stated would update the District's rules to conform to those recently adopted by Cool Water MUD, for ease of enforcement throughout the community. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the Amended and Restated Rules Regarding Erosion Control and Protection of the District's Facilities, Land and Easements. Mr. Dean next presented the Utility and Development Agreement between City of Jarrell, The Gronk, LP, Cielo Gardens, LP, Cool Water Municipal Utility District and Sonterra Municipal Utility District attached as **Exhibit "J"**. He confirmed that the Agreement addressed the development of certain tracts in the vicinity of the District and that it was likely that the developer of the District, Sonwest Co., would petition for the annexation of such tracts into Cool Water MUD in the future. Mr. Bilger then stated that the Agreement would provide for the construction of utility facilities, including a wastewater treatment plant, that would eventually be conveyed to the City of Jarrell and would bring additional treatment capacity to the vicinity of the District. He noted that the Agreement also provided for capacity and cost sharing in the Willis Creek wastewater interceptor. He then confirmed that the City of Jarrell may provide additional comments to the proposed Agreement.

After discussion, upon motion of Director Dunbar and second by Director Cosimeno, the Board voted unanimously to approve the Agreement, subject to the review of the final draft of the Agreement by Mr. Dean's office.

Director Faske then stated that the Board would convene in executive session at 7:34 p.m. to consider receive legal advice regarding the acquisition of the easements needed for the Willis Creek wastewater interceptor. At 7:45 p.m., Director Faske stated that the Board would reconvene in open session, noting that no action had been taken during executive session. The Board generally agreed to hold a special Board meeting at 4:30 p.m. that Friday to consider initiating an eminent domain action to obtain an easement needed for the Willis Creek wastewater interceptor.

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

(SEAL)



Date: August 15, 2022

[Handwritten Signature]

Michael Cosimeno
Secretary, Board of Directors