

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

September 12, 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 September 22, 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:

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 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; Janet Hage of the Jarrell Community Library (the “Library”); Eddie Castro of Landscape Designs & Lawn Care; Andy Bilger and Darrell Goldman of Vecindario Management, LLC; two representatives of HydroPro Solutions; and Abigail Brock, 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 and citizens communications. Director Faske recognized Ms. Brock who requested that the District sponsor an outdoor movie night in the District. Mr. Bilger stated that this request should be made to the Sonterra West Homeowners’ Association, rather than the District.

Director Faske announced that the Board would next consider the budget and tax items on the agenda, including the 2022-2023 budget and 2022 tax rate. He recognized Mr. Douthitt, who advised that the District’s financial advisor, Garry Kimball, of Specialized Public Finance Inc., had not altered his recommended tax rate for 2022, which was \$0.7150 per \$100 of taxable value, comprised of \$0.60 for debt service and \$0.1150 for operations and maintenance. Director Faske then opened a public hearing on the proposed tax rate of \$0.7150 per \$100 of taxable value and stated that any interested member of the public may provide comments to the Board, whether in favor or against the proposed rate. There being no members of the public wishing to address the Board, Director Faske closed the public hearing. Mr. Douthitt then reviewed the draft budget, which he stated had been adjusted since he had last reviewed it with the Board to add more expenses related to parks and recreation, including the addition of parks and recreation staff. Discussion ensued regarding the projected parks and recreation expenses. After discussion, upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the Resolution Adopting Budget attached as **Exhibit “B”**. Then, upon motion by Director Reynolds and second by Director Cosimeno, the Board voted in favor of adopting a 2022 tax rate of \$0.7150 per \$100 of taxable value, comprised of \$0.60 for debt service and \$0.1150 for operations and maintenance, and approving the Order Levying Taxes

attached as **Exhibit “C”**, with Directors Reynolds, Faske, Cosimeno, Dunbar, and Islas present and voting “aye”.

Director Faske next stated that the Board would consider approval of the Amended and Restated Information Form attached as **Exhibit “D”**. Mr. Dean advised that the District’s Information Form needed to be amended and restated to reflect the change in tax rate from the prior year. Upon motion by Director Cosimeno and second by Director Faske, the Board voted unanimously to approve the Amended and Restated Information Form.

Director Faske then stated that the Board would consider approving the consent items on the agenda, including: (1) the proposal from McCall Gibson Swedlund Barfoot PLLC for auditing services for fiscal year ending September 30, 2022 and the related fraud questionnaire attached collectively as **Exhibit “E”**; (2) the minutes of the August 15 and August 30 Board meetings; and (3) the Plumbing Inspection Services Agreement with Roadrunner Inspection Services attached as **Exhibit “F”**. Mr. Dean stated that he had not completed the minutes and requested that the items be table until the Board’s October meeting. The Board agreed to table the minutes. After discussion, upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal from McCall Gibson Swedlund Barfoot PLLC. Then, upon motion by Director Reynolds and second by Director Faske, the Board voted unanimously to approve the Plumbing Inspection Services Agreement.

Director Faske next stated that the Board would receive a report from the District manager. Mr. Bilger stated that the pump track had been finished and people were using it; that the splash pad vendor had inspected the splash pad outside of the District pool and made repairs; that a pool in Cool Water was under construction; that the foundation for the basketball court would be installed soon; and that the District’s consultants were currently considering the feasibility and timing of the District issuing park bonds to pay for and build additional park and recreational facilities. Mr. Goldman stated that he was working to obtain proposals for security cameras on District property to protect against theft and vandalism, which he would present to the Board at a later meeting.

Director Faske then stated that the Board would next consider matters related to the Jarrell Community Library and recognized Ms. Hage. Ms. Hage informed the Board that, due to reasons outlined in her letter to the Board attached as **Exhibit “G”**, the Library may lose accreditation. She stated that the Library and the City of Jarrell (the “*City*”) were scheduled to meet to discuss this issue soon, and that, afterward, she would return to the address the Board to make a request. Director Reynolds stated that she would like to know what the City’s commitments to the Library would be in order for the District to consider providing additional support. Mr. Hendrix then stated that Crossroads had been including a link to donate to the Library in the District’s utility bills.

Director Faske next announced that the Board would consider items related to District security. Mr. Dean stated that Williamson County was no longer entering into memoranda of understanding with MUDs regarding the provision of security patrol services and that, in the alternative, had provided a draft Independent Contractor Agreement for Off-Duty Security Patrol Services that it recommended MUDs enter into with their respective off-duty officers. Mr. Dean clarified that the District’s Standard Agreement with Local Government Entity Regarding Off-Duty Contracting of County Sheriff Deputies remained in place, which was the agreement by which Williamson County and the Williamson County Sheriff’s Office provided permission for its deputies to provide off-duty patrol services to the District. Discussion ensued regarding the implications of the District contracting directly with deputies for their services, including with regard to insurance, liability, and the District’s ability to contract the Williamson County Sheriff’s Office regarding off-duty patrol services. Mr. Dean stated that another attorney at his firm was in the process of modifying the draft agreement for the District, among other MUDs

served by his firm, and evaluating the implications of such an agreement. Mr. Dean suggested that the item be tabled until the next meeting when his office had fully examined the situation. The Board generally agreed and the item was tabled. The Board then discussed whether to reduce the hours of patrol service currently provided, since the Williamson County Sheriff's Office had increased its presence in the area outside of its agreement with the District and crime had decreased markedly that year. After discussion, upon motion by Director Cosimeno and second by Director Dunbar, the Board voted unanimously to reduce its patrol hours from 100 hours per month.

Director Faske then stated that the Board consider mowing and landscape maintenance items. Mr. Dean stated that Mr. Castro and he were working on a new landscape maintenance agreement that would incorporate additional areas that required landscaping services, which he planned to present at the next Board meeting.

Director Faske then stated that the Board would receive a report from the District operator. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "H"**, and reviewed it with the Board. He advised the Board that, as of the end of August, the District had 3,695 occupied single-family connections and a total of 4,345 accounts and that there had been 202 new taps sold in August and a total of 1009 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 20.26% during the prior reporting period, which he stated had been caused by two service line leaks and a main leak, which had since been repaired. He then stated that the inspection report from Heart of Texas Inspection Services regarding the District's elevated storage tank had been completed, and was included in his report. He concluded his report by advising that HydroPro had recently installed approximately 200 electronic water meters to replace mechanical water meters and was about halfway done making the planned installations. He added that Crossroads would hold on to the replaced meters for the District to sell or donate at a later date.

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 "I"**, and provided an update regarding development projects currently underway. He then presented Pay Application No. 12, attached as **Exhibit "J"**, in the amount of \$144,000 from TTE, LLC for the Water Treatment Plant No. 1 High Service Pump Station. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve Pay Application No. 12. Mr. Jones then asked if Directors Reynolds and Faske would be available to discuss the District's potential participation in certain water projects to be undertaken by the Lone Star Regional Water Authority and its participant entities. Both directors stated that they would make themselves available for such a meeting. Mr. Jones then presented a letter from his firm regarding a fee schedule update for fiscal year 2023 attached as **Exhibit "K"**. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the fee schedule update.

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

Director Faske stated that the Board would receive a report from the District's attorney. Mr. Dean presented the memorandum detailing the prior month's requests for corrective action and penalties for violation of the District's rules regarding erosion control. Mr. Dean then provided an update regarding the acquisition of easements for the Willis Creek wastewater interceptor. He closed his report by advising that one of the builders to which he had sent a letter demanding reimbursement for expenses arising from damage to District wastewater

cleanouts in Cool Water Phase 1 had denied its responsibility for the damage. He stated that he would coordinate with Mr. Hendrix to address the situation.

There being no further business to come before the Board, the meeting was adjourned at 7:24 p.m.

(SEAL)



Date: October 17, 2022



Michael Cosimeno
Secretary, Board of Directors