

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

October 17, 2022

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on October 17, 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 6:01 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 and Susan Gregurek of the Jarrell Community Library (the “Library”); Eddie Castro of Landscape Designs & Lawn Care; Garry Kimball of Specialized Public Finance Inc.; Darrell Goldman and Danielle Smith of Vecindario Management, LLC; and Abigail Brock, Joshua Viera, and Schadrac Mertis, residents of the District. Bart Fowler of McCall, Parkhurst & Horton, L.L.P. arrived later in the meeting.

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 Mr. Mertis who stated that there had been a discrepancy between his household’s water use and the water bills he had been receiving. Director Faske directed Mr. Hendrix to work with Mr. Mertis to identify the source of and address the discrepancy, as appropriate, and report back to the Board regarding the issue at its next meeting. Director Faske next recognized Mr. Viera who requested that a child safety zone be established in the District. Director Faske directed Mr. Dean to discuss the possibility with Mr. Viera and report to the Board whether establishing a child safety zone was legally and practically feasible at its next meeting.

Director Faske announced that the Board would next consider the bond items on the agenda and recognized Mr. Kimball. Mr. Kimball reviewed the Sonterra MUD Timetable for Issuance of \$8,400,000 Unlimited Tax and Revenue Bonds, Series 2022 (the “Bonds”) attached as **Exhibit “B”**, noting that following today’s Board-approval of the preliminary official statement for the Bonds and the advertisement of sale of the Bonds, the Board would meet to sell the Bonds on November 21, 2022 and again on December 19, 2022 to approve the reimbursement audit and authorize distribution of the Bond proceeds at closing. Mr. Jones then reviewed the Order Approving an engineering Project and the Issuance of \$8,400,000 in Unlimited Tax and Revenue Bonds from the Texas Commission on Environmental Quality attached as **Exhibit “C”** with the Board. Mr. Kimball then reviewed the Preliminary Official Statement (the “POS”) with the Board and recommended approval. Mr. Dean then reviewed the

Resolution Approving a Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of a Notice of Sale of Bonds; and Approving Other Related Matters (the "*Bond Resolution*") attached as **Exhibit "D"** with the Board and recommended approval. Mr. Kimball then recommended that the Board authorize payment of the Attorney General bond review fee and designate BOKF as the Paying Agent/Registrar for the Bonds. Mr. Dean then reviewed the proposal from McCall Gibson Swedlund Barfoot PLLC to prepare a report on reimbursable costs with respect to the Bonds attached as **Exhibit "E"**. After discussion, upon motion by Director Reynolds and second by Director Dunbar, the Board voted unanimously to approve the POS; Bond Resolution; authorize payment of the Attorney General bond review fee; designate BOKF as the Paying Agent/Registrar for the Bonds; and approve the proposal from McCall Gibson Swedlund Barfoot PLLC.

Director Faske then stated that the Board would consider approving the minutes of the August 15, 2022, August 30, 2022, and September 12, 2022 Board meetings. Upon motion by Director Dunbar and second by Director Reynolds, the Board voted unanimously to approve all three sets of minutes.

Director Faske next stated that the Board would receive a report from the District manager. Mr. Goldman stated the Mr. Bilger was out of town and that he would provide his report in his absence. Mr. Goldman reported that that skate park was almost complete and that one playscape was complete and that artificial turf would be installed soon. He then reviewed the proposal from Georgetown TC & Audio LLC attached as **Exhibit "F"** for the installation of a new camera security system at the location of various District park and recreation facilities. Director Faske asked if, with the new system, it would be possible to zoom in on recorded footage clearly. Mr. Goldman responded in the affirmative. Director Faske asked if there would be a monthly fee as part of the security system. Mr. Goldman responded that there would not. He stated that a power source would need to be obtained for certain components of the security system, for which he stated he would obtain a separate proposal. He stated that the Board should also consider adding security lights at certain park facilities in the future. After discussion, upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the proposal from Georgetown TC & Audio LLC. The Board agreed that Directors Reynolds and Cosimeno could approve a proposal for the necessary electric components for the security system prior to the next Board meeting, on the condition that such approval be ratified at the following Board meeting. Mr. Goldman then presented an invoice from HostPapa, Inc. attached as **Exhibit "G"** to upgrade the District's hosting package to increase server capacity on the District's website. Upon motion by Director Dunbar and second by Director Reynolds, the Board voted unanimously to approve the invoice from HostPapa, Inc. Mr. Goldman concluded his report by stating that construction of a pool in Cool Water Municipal Utility District would begin soon.

Director Faske then announced that the Board would consider matters related to the District's parks and recreational facilities. Mr. Dean recommended that discussion regarding personnel matters such as the potential hiring of parks and recreation employees be undertaken during executive session.

Director Faske then stated that the Board would next consider matters related to the Jarrell Community Library and recognized Ms. Hage. Mr. Hage stated that the Library had been renamed the Jarrell Community Library and Resource Center, since it provided a litany of resources in addition to serving as a community library. She next stated that the Library had obtained a three year commitment from the City of Jarrell (the "*City*") to provide the Library \$10,500 for the first year and potentially more for the second and third years. She continued, however, to state that the commitment was contingent upon the Library receiving a similar commitment from the District. Ms. Hage, therefore, asked that the District enter into a new lease of its office building with the Library for a three year term, beginning January 1, 2023.

Director Faske stated that the Board would consider the request in executive session later in the meeting, since it related to matters involving real property.

Director Faske next announced that the Board would consider items related to District security. Mr. Dean presented the Agreement for Off-Duty Security and Patrol Services and the Agreement for Off-Duty Security and Patrol Services (Patrol Coordinator) attached collectively as **Exhibit “H”**. He recommended approval of both agreements, noting that they were the product of his firm’s review and revision of a template from Williamson County. Director Reynolds stated that she would like the Board to consider a difference in pay under the “Patrol Coordinator” version of the agreement. Mr. Dean recommended that the Board consider such a personnel matter in executive session later in the meeting. The Board agreed.

Director Faske then stated that the Board consider mowing and landscape maintenance items. Mr. Dean presented the Landscape Maintenance Agreement with Landscape Designs and Lawn Care attached as **Exhibit “I”**, which he stated both merged the District’s two services agreements with Landscape Designs and Lawn Care and added new landscape areas to the service area. He noted that the Joint Landscape Maintenance Agreement between the District, Cool Water Municipal Utility District, and Landscape Designs and Lawn Care was still in-process and not ready for approval. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the Landscape Maintenance Agreement subject to incorporation of the final mowing map into the agreement.

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 September, the District had 3,787 occupied single-family connections and a total of 4,415 accounts and that there had been 201 new taps sold in September and a total of 1,210 for the fiscal year. Mr. Hendrix reported that there had been a water loss of 5.75% during the prior reporting period. He stated that he had discovered that someone in his office had been incorrectly entering information into the water loss spreadsheet, which had resulted in so many prior months’ apparent high water loss. He added that, now that this issue had been identified and resolved, the District’s water loss would most likely be lower from month to month. He then stated that all of the old meters in the District had been retrofit with the new electronic meters and could now be read remotely. He reviewed his plan to review a percentage of the meters manually periodically to ensure that the remote meter reads were correct. Director Reynolds asked when the app that came with the new meters would be ready for use by residents. Mr. Hendrix responded that Crossroads would roll out the app for customer use closer to the end of the calendar year. Director Islas asked whether Crossroads would come up with a way to explain how to use the app to residents. Mr. Hendrix said that Crossroads could do a training session with customers. Mr. Hendrix then stated that there had been water theft by certain District customers. Director Faske directed Mr. Hendrix to prosecute the perpetrators to the fullest extent that the District’s rate order would allow. Mr. Hendrix responded that he would do so. He then stated that HydroPro had requested a 5% price increase to any future meters installed and recommended that the Board direct Mr. Dean to draft an amendment to the District’s current agreement with HydroPro to reflect the requested price increase. The Board so-directed Mr. Dean.

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 “K”**, and provided an update regarding development projects currently underway. He next stated that he had approved site plans for a Sonic and a Taco Bell. He then recommended that the Board approve the revised Construction and Development Standards and Procedures for the District attached as **Exhibit “L”**, which he explained were primarily cleanup and other minor revisions. Upon motion by Director Dunbar and second by Director Reynolds, the Board voted unanimously to approve the revised Construction and Development Standards and Procedures. He then

presented Pay Application No. 13, attached as **Exhibit “M”**, from TTE, LLC for the Water Treatment Plant No. 1 High Service Pump Station. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve Pay Application No. 13. Mr. Jones then stated that construction of Cool Water MUD Phase 3 was complete and recommended that the Board approve acceptance of the project for operation and maintenance. Upon motion by Director Dunbar and second by Director Reynolds, the Board voted unanimously to approve the acceptance of Cool Water MUD Phase 3 for operations and maintenance. Mr. Jones then presented a proposal from the Lone Star Regional Water Authority (“**LSRWA**”) attached as **Exhibit “N”** for cost-participation in the LSRWA’s solicitation of estimates to drill certain water wells. Upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the proposal.

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 “O”** and recommended approval of the transfers and the Director and vendor payments as listed in his report. After discussion, upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the transfers and the Director and vendor payments. The Board agreed to table the Bookkeeping Services Agreement until the next Board meeting.

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. Director Faske announced at 7:50 p.m. that the Board would convene in executive session to consider the following matters: (i) the hiring of parks and recreation employees pursuant to Section 551.074 of the Texas Open Meetings Act (“**TOMA**”); (ii) patrol officer compensation pursuant to Section 551.074 of TOMA; (iii) lease of the District’s office space to the Library pursuant to Section 551.072 of TOMA; and (iv) acquisition of offsite easements for the Willis Creek interceptor pursuant to Section 551.072 of TOMA. He announced at 8:52 that the Board would reconvene in open session and that no action had been taken during executive session. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to authorize Directors Reynolds and Cosimeno to, at their discretion, hire two employees for parks and recreation purposes and take any other necessary associated actions. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the pay rate in the patrol coordinator contract to be \$55 per hour. The Board then directed Mr. Dean to draft a lease agreement with the Library beginning on January 1, 2023 for a two year term and to determine comparable prices in the area on which to base the lease amount in the lease agreement.

There being no further business to come before the Board, the meeting was adjourned at 8:52 p.m.

(SEAL)



Date: November 21, 2022



Michael Cosimeno
Secretary, Board of Directors