

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

August 16, 2021

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on August 16, 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 6:01 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 except Director Faske, thus constituting a quorum. Also present at the meeting were Andy Bilger of Vecindario Management, LLC; 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; and Carter Dean of Armbrust & Brown, PLLC.

After the Pledges of Allegiance to the United States and Texas flags, Director Goldman stated that the Board would receive any Board member remarks or citizens communications. There being none, Director Goldman stated that the Board would consider budget and tax rate items on the agenda, beginning with the District’s 2021 tax rate classification. Mr. Dean explained the types of tax rate classifications and stated that he believed the District was a “developing district” since less than 95% of the utility infrastructure projected to be required to serve the District had been built-out and financed. He stated that, as a developing district, the District would be subject to an 8% voter-approval tax rate (previously referred to as a “roll-back rate”), which, if exceeded, would allow District residents to petition the District to hold an election for the tax rate to be “rolled-back” to the voter-approval tax rate. Messrs. Kimball and Jones concurred that the District was a developing district for the year. After discussion, upon motion by Director Goldman and second by Director Dunbar, the Board voted 4-0 to classify the District as a developing district for purposes of the 2021 tax year.

Director Goldman next announced that the Board would consider its 2021/2022 budget and 2021 tax rate and recognized Mr. Kimball. Mr. Kimball reviewed the 2021 certified appraised values from Williamson Central Appraisal District attached as **Exhibit “B”** with the Board. He stated that he recommended that the District propose a tax rate of \$0.9475 per \$100 of taxable value, which was the same amount as the prior year. He noted that this amount would exceed the voter-approval tax rate and opened the District up for a possible voter-approval tax rate election in the event of a successful petition. Mr. Douthitt then reviewed the draft budget attached as **Exhibit “C”** with the Board. Director Cosimeno stated that the budget needed to be revised to incorporate increased costs to operate the District’s pool, since the lifeguards would be paid more than previously. Mr. Douthitt responded that he would so-revise the draft budget. Board discussion ensued regarding the tax rate. After discussion, upon motion by Director

Goldman and second by Director Reynolds, the Board voted to propose a tax rate of \$0.9475 per \$100 of taxable value for 2022; schedule a public hearing on the proposed tax rate on September 20, 2021 at 6:00 p.m.; and authorize Mr. Dean's office to publish notice of the public hearing. Directors Goldman, Reynolds, Cosimeno, and Dunbar were each present and voted "aye". Director Faske was absent and did not vote.

Director Goldman then stated that the Board would consider the minutes of the July 19, 2021 Board meeting. Upon motion by Director Reynolds and second by Director Goldman, the Board voted 4-0 to approve the minutes.

Director Goldman stated that the Board would consider Amendment No. 2 to Real Property Lease/Purchase Agreement with Sonterra West Homeowners' Association, Inc. Mr. Dean stated that the amendment was still in process and not yet ready for Board approval.

Director Goldman stated that the Board would next consider the Second Amendment to Lease Agreement with Jarrell Community Library attached as **Exhibit "D"** (the "Second Amendment") and the new Lease Agreement with Jarrell Community Library attached as **Exhibit "E"** (the "New Lease Agreement"). He advised that the Second Amendment would extend the current lease through the end of the calendar year and that the New Lease Agreement would begin on January 1, 2022 and expire at the end of 2022. Upon motion by Director Goldman and second by Director Cosimeno, the Board voted 4-0 to approve the Second Amendment and the New Lease Agreement.

Director Goldman then announced that the Board would next receive the manager's report and recognized Mr. Bilger. Mr. Bilger regretfully informed the Board that Dan Fliehs, who had provided mowing and other services to the District, had passed away. He stated that Mr. Fliehs was a good man who did a great job. He then stated that the work that had been performed by Mr. Fliehs would need to be handled and that he would do his best determine how this would be done.

Director Goldman then stated that the Board would consider the parks and recreational facilities items on the agenda. Mr. Bilger stated that the splash pad outside of the pool area would take another few weeks to complete, but that the splash pad in the pool area was complete and testing prior to opening for use would begin tomorrow. Director Reynolds asked for the status of the new playground planned to be installed. Mr. Bilger stated that the playground equipment had not yet been ordered since the design had not yet been finalized. Mr. Dean then stated that the job description for the parks and recreation manager position was in process and would be ready for the next Board meeting. The Board then considered Wayfinders Church's request to have a presence at the grand opening of the splash pad in the pool area. Upon motion by Director Reynolds and second by Director Goldman, the Board voted 4-0 to authorize the church to have its staff at the pool to serve food and drinks at the opening of the splash pad.

Director Goldman 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. Mr. Dean then presented the Standard Agreement with Interlocal Governmental Entity Regarding Off-Duty Contracting of County Sheriff Deputies with Williamson County Sheriff's Office attached as **Exhibit "F"** (the "Standard Agreement") and the Memorandum of Understanding with Williamson County Sheriff's Office attached as **Exhibit "G"** (the "MOU") and stated that the District's engagement with the Williamson County Sheriff's Office needed to be renewed. Upon motion by Director Reynolds and second by Director Dunbar, the Board voted 4-0 to approve the Standard Agreement and the MOU.

Director Goldman next recognized Mr. Castro to present the mowing and landscaping maintenance report to the Board. Mr. Castro reviewed his report with the Board.

Director Goldman 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 July, the District had 3,379 occupied single-family connections, an estimated population of 10,137, and a total of 3,694 accounts and that there had been two new taps sold in July and a total of 412 for the fiscal year to date. Mr. Hendrix reported that there had been a water loss of 9.17% during the prior reporting period, which he noted was down significantly from the prior month. Mr. Hendrix stated that there had been one account that would be written-off and sent to collections. He then reported that operations were generally looking good.

Director Goldman then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones called the Board's attention to and reviewed his report attached as **Exhibit "I"**. He next presented the following pay applications and change orders from DNT Construction, LLC: (i) Pay Application No. 10 for Eastwood Phase I in the amount of \$766,590.66; (ii) Change Order No. 5 for Eastwood Phase I in the amount of -\$800.00; (iii) Pay Application No. 9 for Eastwood Phase II in the amount of \$13,284; and Pay Application No. 9 for Eastwood Phase III, a credit in the amount of -\$40,500.00 due to Change Order No. 1, attached collectively as **Exhibit "J"** and recommended approval. Upon motion by Director Goldman and second by Director Cosimeno, the Board voted 4-0 to approve the pay applications and change orders. Mr. Jones then presented Pay Application No. 3 from Liberty Civil Construction, LLC in the amount of \$1,009,099.48 for Eastwood Sections 4, 5, and 6, attached as **Exhibit "K"** and recommended approval. Upon motion by Director Goldman and second by Director Cosimeno, the Board voted 4-0 to approve the pay application. Mr. Jones then presented Pay Application No. 1 in the amount of \$45,712.80 from TTE, LLC attached as **Exhibit "L"** for the Water Treatment Plant No. 1 High Service Pump Station. Upon motion by Director Goldman and second by Director Dunbar, the Board voted 4-0 to approve the pay application. Mr. Jones then presented a proposal in the amount of \$112,700 from Alterman, Inc. for SCADA upgrades attached as **Exhibit "M"**. Upon motion by Director Goldman and second by Director Reynolds, the Board voted 4-0 to approve the proposal. Mr. Jones then presented the bid tabulation for Eastwood Sections 7 and 8 and recommended award of the contract to DNT Construction, LLC, which was the low bidder at \$3,749,324.50. Upon motion by Director Goldman and second by Director Cosimeno, the Board voted 4-0 to award the contract to DNT Construction, LLC. Mr. Jones then stated that he recommended the District obtain electrical service for the Water Treatment Plant No. 1 High Service Pump Station from Oncor, since having electricity from different providers would provide a safeguard in case service from one of the providers failed. Upon motion by Director Goldman and second by Director Dunbar, the Board voted 4-0 to authorize Mr. Jones to set-up an electric account with Oncor for service to the Water Treatment Plant No. 1 High Service Pump Station. Director Goldman then stated that the Board would convene in executive session at 6:50 p.m. to discuss real property matters related to the acquisition of offsite utility easements for District facilities. At 7:04 p.m., Director Goldman announced that the Board would reconvene in open session, and stated that no action had been taken during executive session. Upon motion by Director Goldman and second by Director Reynolds, the Board voted 4-0 to authorize Brad Anderson to work on the easement acquisitions and approve the proposal for appraisals of the real property at issue attached as **Exhibit "N"**. Mr. Jones then stated that Williamson County (the "*County*") needed to relocate a District utility line located underneath CR 332 as part of the County's CR 332 realignment project. He added that, since Lone Star Regional Water Authority also had a line located under CR 332, it could design the plans and hire a contractor for the relocation of both its and the District's lines. The Board directed Mr. Dean to work with Lone Star Regional Water Authority as necessary to prepare any cost sharing or other agreement necessary to facilitate such a deal. Mr. Dean then presented Interlocal Agreement for Pass-Through Wastewater Service and Fire Flow Water Capacity [Cornhill Business Park] with the City of Jarrell attached as **Exhibit "O"** to the Board. Upon motion by Director Goldman and second by Director Reynolds, the Board voted 4-0 to approve the agreement.

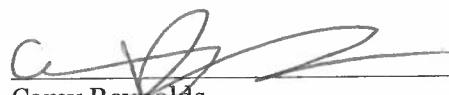
Director Goldman then stated that the Board would consider matters related to America's Water Infrastructure Act of 2018 (AWIA). Mr. Jones presented a proposal from Elston Johnson and Associates to prepare the District's statutorily required AWIA Risk and Resilience Assessment attached as **Exhibit "P"**. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 4-0 to approve the proposal.

Director Goldman then stated that the Board would receive a report from the District's bookkeeper. Mr. Douthitt reviewed the bookkeeper's report attached as **Exhibit "Q"** and recommended approval of the transfers, Director and vendor payments, and certificate of deposit renewals listed therein. He also stated that he would need to pull Director Faske's director's fee due to his absence from the meeting. After discussion, upon motion by Director Goldman and second by Director Dunbar, the Board voted 4-0 to approve the transfers, the Director and vendor payments, and the certificate of deposit renewals, with the voided check noted.

Director Goldman then recognized Mr. Dean for the attorney's report. Mr. Dean reviewed his directives then provided a 2021 Legislative Session update to the Board.

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





Camy Reynolds
Secretary, Board of Directors