

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

January 16, 2023

THE STATE OF TEXAS           §  
                                          §  
COUNTY OF WILLIAMSON       §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on January 16, 2023, 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
[Vacancy]	-	Assistant Secretary

All of the Directors were present except Director Reynolds, 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; Eddie Castro of Landscape Designs & Lawn Care; Andy Bilger and Darrell Goldman of Vecindario Management, LLC; and Janet Hage and Susan Gregurek of the Jarrell Community Library and Resource Center.

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. There being none, Director Faske stated that the Board would consider the annual review items on the agenda. Mr. Dean reviewed the following annual review items, attached collectively as **Exhibit “B”**, with the Board: (i) the Resolution Confirming Annual Review of Code of Ethics, Financial Investment, Travel, and Professional Services Policies, and Investment Strategies; Confirming Designation of Investment Officers; and Amending List of Qualified Broker, and stated that he did not have any revisions to recommend at this time other than to update the list of qualified brokers maintained by the District’s accountant;; (ii) the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance; and (iii) the Resolution Confirming Annual Review of Water Conservation and Drought Contingency Plan. Upon motion by Director Faske and second by Director Cosimeno, the Board voted 3-0 to approve the three resolutions. Mr. Jones stated that the District needed to adopt a water conservation plan soon. Mr. Dean stated that he would coordinate with Mr. Jones and Mr. Hendrix on a water conservation plan to present to the Board for approval at a subsequent Board meeting.

Director Faske then stated that the Board would consider approving the minutes of the December 19, 2022 Board meeting. Upon motion by Director Cosimeno and second by Director Faske, the Board voted 3-0 to approve the minutes.

Director Faske next stated that the Board would receive a report from the District manager. Mr. Goldman reported that the electric facilities for the basketball pavilion were being placed underground; that the new playscape had been completed; and that construction of the

pump track was almost done. Mr. Goldman then reviewed the quote from Aqua Artists, Inc. attached as **Exhibit "C"** with the Board, which he stated was for renovation of the equipment pad at the pool, along with the addition of new pool equipment. Mr. Dean stated that, because the quote was between \$25,000 and \$75,000, Mr. Goldman would need to solicit two more bids for Board consideration to comply with the public bidding requirements applicable to water districts. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 3-0 to direct Mr. Goldman to obtain two additional bids and authorize him to approve the bid from the lowest responsible bidder, not to exceed \$70,000.

Director Faske then stated that the Board would consider matters related to parks and recreational facilities. Director Cosimeno stated that the community was largely unaware of the existence and location of many of the District's parks and recreational facilities and, for this reason, he proposed that the District advertise such facilities. Director Cosimeno presented a proposal from Fidelis Publishing Group, LLC ("*Fidelis*") for ad space in My Jarrell Monthly, which was widely circulated in the area. Board discussion ensued regarding the appropriate duration and page size of District advertisements. Mr. Dean advised that, since Director Reynolds was employed by Fidelis and worked at My Jarrell Monthly, she would not legally be able to participate in any related discussion or Board action regarding such. He added that while Director Reynolds was absent from the meeting, Director Reynolds would be required to submit an affidavit to the District in which she swore to recuse herself from any discussion or action related to Fidelis or My Jarrell Monthly. After discussion, upon motion by Director Dunbar and second by Director Cosimeno, the Board voted 3-0 to approve three months of advertisements in My Jarrell Monthly, which the first month being a full page, and the second and third months being half pages. Mr. Bilger then recommended that the Board hold a special meeting at which to discuss the District's park plan, including matters related to financing. The Board was generally open to holding such a meeting.

Director Faske next announced that the Board would not consider District security items that month due to Director Reynold's absence.

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.

Director Faske then stated that the Board would receive a report from the District's operator. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "D"**, and reviewed it with the Board. He advised the Board that, as of the end of November, the District had 3,844 occupied single-family connections and a total of 4,434 accounts and that there had been 193 new taps sold in December and a total of 688 for the fiscal year. Mr. Hendrix reported that there had been a water loss of 9.05% during the prior reporting period and that there were six write-offs. He then stated that televising of the wastewater lines in Eastwood Sections 1, 2, and 3 had begun and that large amounts of debris were discovered, which would need to be removed. Director Faske directed Mr. Hendrix not to approve new connections for the builders who were responsible for the debris until the lines were cleaned and the builders had reimbursed the District for the damage in full. Director Faske additionally directed Mr. Hendrix to contact the builders regarding this decision and directed Mr. Dean to send a letter to the responsible builders for this purpose as well. Mr. Hendrix next stated that the District had many old water meters that it had recently replaced with electronic meters, and that the District would need to decide what to do with them. Mr. Dean stated that he would place an item on the February Board meeting agenda to discuss this matter.

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 "E"**, and provided an update regarding development projects currently underway. He reported that the appraisals

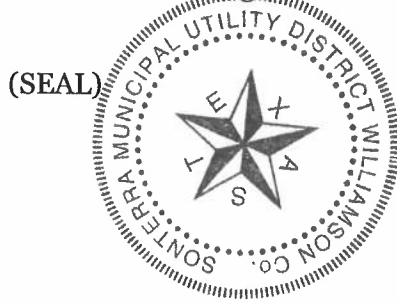
necessary for the District to purchase certain land using proceeds from Bond Issue No. 12 were still underway, and that the District would additionally need to enter a cost-sharing agreement with Cool Water Municipal Utility District regarding the land before conveyance. He next reported that Lone Star Regional Water Authority was moving forward with design and construction of the ARPA-funded water pipeline project that the District had previously declined to participate in. He then presented Pay Application No. 16 from TTE, LLC for the Water Treatment Plant No. 1 High Service Pump Station attached as **Exhibit “F”**. Upon motion by Director Faske and second by Director Cosimeno, the Board voted 3-0 to approve Pay Application No. 16. Mr. Jones then reported that RightFiber sought to bore and insert fiber lines in public utility easements and rights-of-way throughout the District over the next five months, which could potentially result in damage to District lines. Mr. Hendrix stated that Crossroads had been and would continue providing locates of District lines to RightFiber in order to prevent this issue. Director Faske directed Mr. Hendrix to obtain signatures from RightFiber regarding every repair that was needed as a result of RightFiber’s work, so that these repairs could be easily identified for purposes of reimbursement by RightFiber. Director Faske asked how District customers would be notified of the work and any potential related problems. Mr. Hendrix stated that he would contact RightFiber to request materials that Crossroads could use for this purpose.

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 as listed in his report. He also recommended voiding Director Reynold’s director fee check, due to her absence. Mr. Douthitt then stated that he had included a summary of District management costs in the report upon request of the Board at its December 2022 meeting. Director Faske requested that Mr. Douthitt add a line item to that report showing a budget to actual comparison. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 3-0 to approve the transfers and the Director and vendor payments, and to void Director Reynold’s director fee check. Mr. Douthitt then presented the Bookkeeping Services Agreement with Bott & Douthitt, PLLC attached as **Exhibit “H”**, which would renew the District’s engagement with the firm for an additional two years. He reviewed the compensation increases requested as shown in the agreement and stated that the new agreement would additionally modify compensation for meeting attendance to be on an hourly rather than flat fee basis. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 3-0 to approve the Bookkeeping Services Agreement.

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 presented the First Amendment to Lease Agreement with Jarrell Community Library and Resource Center attached as **Exhibit “I”** to the Board. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 3-0 to approve the First Amendment to Lease Agreement. Mr. Dean then presented the Amendment to Order Establishing Rates, Charges, and Tap Fees and Adopting Rules and Policies With Respect to the District’s Water, Wastewater, and Drainage Systems attached as **Exhibit “J”** (the “*Rate Order*”), which he explained, among other things would increase the District’s inspection fee per living unit equivalent (LUE) to \$350. The Board generally agreed that the builder deposit should be raised to \$10,000 and the builder deposit amount increased in the event of application of the original deposit to pay delinquent amounts to \$20,000. After discussion upon motion by Director Dunbar and second by Director Cosimeno, the Board voted 3-0 to approve the Rate Order, as modified to include the revise builder deposit amounts.

Director Faske stated that the Board would consider its future meeting schedule and agenda items. Director Faske asked Mr. Dean to move the agenda item for the bookkeeper's report to the top of the agenda, following the consent items, for all future meetings.

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



Michael Cosimeno  
Secretary, Board of Directors

Date: February 20, 2023