

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

March 20, 2023

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on March 20, 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 6:02 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, thus constituting a quorum. Also present at the meeting were Jason Jones of Jones-Heroy & Associates, Inc.; James Wills 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; Sherry Roark, a candidate for appointment to the Board; and various 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 and citizens communications. There being none, Director Faske stated that the Board would consider the Director Items on the agenda. Mr. Dean stated that Ms. Roark had been identified as a candidate for appointment to the Board to fill the vacancy that had been created by the resignation of Director Islas, noting that she was qualified and willing to serve on the Board. Ms. Roark introduced herself to the Board and briefly reviewed her qualifications to serve on the Board. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted 4-0 to appoint Ms. Roark to the Board. Mr. Dean then stated that Ms. Roark had completed her Sworn Statement, Oath of Office, and application for Director bond, which he advised must be accepted by the Board prior to Director Roark acting in an official capacity as a Director. Upon motion by Director Faske and second by Director Reynolds, the Board voted 4-0 to accept Director Roark’s Sworn Statement, Oath of Office, and Director bond. The Board then considered the election of officers. Following discussion, upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to elect Director Roark to the position of Assistant Secretary, and to otherwise maintain the current slate of officers. Then, upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the revised District Registration Form, as modified by Mr. Dean to include Director Roark as Assistant Secretary. Mr. Dean then reviewed the revised bank account resolutions with the Board, which he explained needed to be approved to add Director Roark as a signatory with respect to the District’s bank accounts, that would be recognized by the banks. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the Resolution Approving Change in Bank Signatories and Change Certificate (Bookkeeper’s Account); the Resolution Approving Change in Bank Signatories and Change Certificate (Operating Account and Capital Projects Fund

Account); the Resolution Approving Change in Bank Signatories and Change Certificate (Lockbox Clearing Account); and the Resolution Approving Change in Bank Signatories and Change Certificate (Park and Pool Account), attached collectively as **Exhibit "B"**.

Director Faske then stated that the Board would consider the Bond Items on the agenda. Mr. Dean reviewed the Arbitrage Compliance Summary and the Arbitrage Rebate Review Letter regarding the District's \$6,500,000 Unlimited Tax and Revenue Bonds, Series 2018 for the January 25, 2018 - January 25, 2023 computational period, attached collectively as **Exhibit "C"**, with the Board, and advised that the District had no rebate or yield restriction liability due for the computation period.

Director Faske then stated that the Board would consider approving the minutes of the February 20, 2023 Board meeting. Upon motion by Director Dunbar and second by Director Cosimeno, the Board voted unanimously to approve the minutes, as presented.

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 "D"** and recommended approval of the transfers and the Director and vendor payments as listed in his report. He noted that the District was approximately \$17,000 ahead of budget for the month. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted unanimously to approve the transfers and the Director and vendor payments. Director Dunbar then stated that he would like the Board to consider adding a line item for an emergency fund to the District's budget. Mr. Douthitt stated that the Board could either formally adopt an amended budget to include such an item, or, it could direct him to keep track of any such expenses for the year and, when the next fiscal year arrived, include such a line item in the appropriate amount. Director Reynolds asked Mr. Dean to discuss with Director Dunbar the specific uses of such a fund to determine which uses were permissible before proceeding with an amendment to the District's budget. Mr. Dean stated that he would contact Director Dunbar to have such a discussion.

Director Faske next stated that the Board would consider the Census of Governments Survey of Local Government Finances received by the US Department of Commerce. Mr. Douthitt stated that it was not required to complete the survey, and that it would take him a substantial amount of time to complete, which would be charged to the District as an "Additional Service" under the Bookkeeping Services Agreement with the Board. Upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to "opt-out" of the survey.

Director Faske then stated that the Board would consider the purchase of laptops or tablets for Directors. Board discussion ensued. After discussion, upon motion by Director Reynolds and second by Director Cosimeno, the Board voted unanimously to approve the purchase of four tablets for an amount not to exceed \$2,500, with the stipulations that the tablets be used only by Directors for District business, that the tablets at all times remain District property, and that Directors return the tablets at the end of their Board tenure. Mr. Dean stated that he would ensure that hard copies of meeting agendas and packets were only prepared for himself and Director Faske, going forward.

Director Faske next stated that the Board would receive a report from the District manager. Mr. Goldman stated that the parking lot at the pool and clubhouse needed to be replaced with concrete, and a concrete pad for the dumpster at that location needed to be installed. He presented a proposal from River City Concrete attached as **Exhibit "E"** for these purposes. He added that the clubhouse would need to be closed for a day to allow the concrete to be installed and dry. Director Reynolds asked if the parking lot would be restriped. Mr. Goldman stated that he needed to look into how many parking spots the lot could accommodate before

restriping it. Upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve the proposal. Director Goldman next reported that the pool renovations were nearly complete. He then presented choices for an ice machine to be installed at the pool. Mr. Bilger stated that he recommended the purchase of an industrial grade ice machine, since anything less would break often and end up costing more money in the long run. Mr. Goldman stated that the ice machine would be installed where the reverse osmosis system was currently located, which he noted would be removed by Crossroads within the next week. After discussion, upon motion by Director Dunbar and second by Director Cosimeno, the Board voted unanimously to authorize purchase of the 397-pound ice machine with the extended service warranty, as shown on the attached **Exhibit "F"**. Mr. Goldman next stated that soccer goals for the soccer field by the splash pad had been ordered, but not yet received and installed. He then stated that construction of the pool in Cool Water MUD was underway, and would likely be done by July. He stated, however, that there were ancillary items that would need to be taken care of prior to opening the pool, such as setting up Wi-Fi and hiring lifeguards, so opening the pool during Summer 2023 was unlikely. Mr. Goldman then informed the Board that certain portions of the trails and bike track had been washed-out by recent rains and, that this could be expected to happen again from time to time in the future. He stated that he could either have Jesse Fliehs repair the trails from time to time, have an outside contractor make the repairs, or install concrete at the "problem locations" to obviate the need for repairs. Director Faske asked Mr. Goldman to solicit and present quotes to the Board for the necessary equipment for the District to handle repairs, including a tractor, compacter, and bulk granite.

Mr. Faske then stated that the Board would consider matters related to parks and recreational facilities. Director Reynolds stated that the District website should include a map depicting parks and recreational facilities and, that there should be signs at the parks identifying the facilities. Mr. Bilger stated that Danielle Smith with Vecindario was working on a map to include on the District's parks and recreation website, which she would run by Directors Reynolds and Cosimeno for review, comment, and approval prior to posting. Mr. Bilger next stated that, due to the low number of applications received by the District in response to its job posting for a Parks and Recreation Manager, he recommended hiring a recruiter to help identify and court promising candidates. Director Reynolds noted that only one person had applied for the position recently. Mr. Bilger then recommended that the Board engage a landscape architect for purposes of assisting with the review of already-constructed facilities, including assisting with the bond preparation process, and the design of new facilities, including a master parks plan. Mr. Bilger then recommended that the District hold an election in November for additional parks and recreation bond authority. Board discussion ensued regarding the need for and use of additional bonding authority for parks and recreation. After discussion, Director Faske asked Mr. Goldman to coordinate a conversation among a potential landscape architect, Director Reynolds, Director Faske, and Mr. Jones to help determine the District's path forward with respect to parks and recreation. Mr. Bilger stated that he would solicit a proposal from Jason Nobbe for purposes of reviewing the existing facilities and assisting with bond application preparation.

Director Faske next announced that the Board would not consider items related to District security, since there was no report that month.

Director Faske then stated that the Board consider mowing and landscape maintenance items. Mr. Castro reviewed the report from his company, Landscape Designs and Lawn Care. He then presented a proposal from his company for maintenance of a newly developed area located along CR 314 in the Eastwood subdivision attached as **Exhibit "G"**. Mr. Dean stated that, if approved, he would incorporate the new service area into an amendment to the District's existing Landscape Maintenance Agreement for approval at the next Board meeting. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal to provide landscaping services to the new area. Mr. Castro then reviewed

the remaining proposals from his company attached collectively as **Exhibit “H”** with the Board, one of which was to plant lantanas. Mr. Castro noted that in prior years, zinnias had been planted instead of lantanas, but that they were not “perennials” and died each year. Mr. Bilger stated that the zinnias looked much better than lantanas. Director Faske stated that the cost of plating zinnias each year was too expensive compared to the cost of planting lantanas once, which were perennials that would survive and bloom year to year. Director Faske also stated that the proposals presented by Mr. Castro seemed expensive, and did not sufficiently break down the costs of the goods and services proposed. He, therefore, asked that Mr. Castro prepare revised proposals resolving this issue and send them to Director Roark and Director Faske for review and approval. He also asked that Ms. Castro set aside some time to show Director Roark and Director Faske the areas of the District at issue to aid in their decisions. The Board generally agreed with this plan.

Director Faske then stated that the Board would receive a report from the District’s operator. Mr. Wills presented Crossroads’ report, attached as **Exhibit “I”**, and reviewed it with the Board. He advised the Board that, as of the end of February, the District had 4,015 occupied single-family connections and a total of 4,247 accounts and that there had been 15 new taps sold in February and a total of 708 for the fiscal year. Mr. Wills reported that there had been a water loss of 6.58% during the prior reporting period and that there had been four write-offs. He then stated that Eastwood Sections 1, 2, and 3 continued to be televised and cleared of debris. Mr. Dean added that the wastewater cleanout inspections that the Board had authorized at its prior meeting had been working and, that the homebuilders had been responsive to notifications of wastewater cleanout-related violations. Mr. Wills continued, stating that Fiber First had not yet hit any District facilities while installing fiber in right-of-way and public utility easements in the District and Cool Water MUD.

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 “J”**, and provided an update regarding development projects currently underway. He reported that, while Fiber First had not yet hit any District facilities, if Williamson County forced Fiber First to install its fiber lines deeper, they would likely hit District lines. He added that he had informed staff at Williamson County of this issue. He next reported that Lone Star Regional Water Authority (“*Lone Star*”) was proceeding with drilling a new water well. Mr. Jones then stated that he would need to submit the amount of water that the District planned to purchase from Lone Star for the next year soon, pursuant to the “take or pay” provision of the District’s wholesale water agreement with Lone Star. He recommended basing the amount on a 10% projected growth rate. Director Faske stated that it made more sense to purchase the water conservatively and estimate a lower amount, rather than pay for more than was actually needed. To this end, Director Faske asked if basing the amount on a 7% growth rate would work. Mr. Jones stated that he tended to agree with Director Faske on the issue and that 7% should be fine. The Board generally agreed to base the amount of water projected to be purchased on a 7% growth rate. Mr. Jones then presented Pay Application No. 18 in the amount of \$222,252.30 from TTE, LLC for the Water Treatment Plant No. 1 High Service Pump Station project, attached as **Exhibit “K”**, and recommended approval. Upon motion by Director Faske and second by Director Reynolds, the Board voted unanimously to approve Pay Application No. 18.

Director Faske stated that the Board would receive a report from the District’s attorney. Mr. Dean reviewed his directives with the Board and stated that William Wancik, who had attended the prior Board meeting requesting an access easement to his backyard through District property, was no longer seeking the easement since Mr. Dean informed him that he would not recommend the easement to the Board. Mr. Dean next reported that Commissioner Boles had indicated that the County would address the District’s requests for crosswalks. Mr. Dean then stated that the final offsite easement needed for construction of the Willis Creek wastewater interceptor had been obtained from Theron Vaughan. Mr. Dean concluded his

report by referring the Board to the erosion control inspection report detailing the prior month's requests for corrective action and penalties for violation of the District's rules regarding erosion control.

Director Faske stated that the Board would consider its future meeting schedule and agenda items. The Board generally agreed that it would meet next month on its regular meeting date. Director Faske then asked Mr. Goldman to purchase a nameplate for Director Roark.

There being no further business to come before the Board, the meeting was adjourned at 8:13 p.m.

(SEAL)



A handwritten signature in black ink, appearing to read "Michael Cosimeno", written over a horizontal line.

Michael Cosimeno
Secretary, Board of Directors

Date: April 17, 2023