

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

February 12, 2024

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 February 12, 2024 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:

Michael Cosimeno	-	President
John Faske	-	Vice President
Raven Dunbar	-	Secretary
Sherry Roark	-	Assistant Secretary
Jesse Payne	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Jason Jones and Ken Heroy of Jones-Heroy & Associates, Inc.; Carter Dean of Armbrust & Brown, PLLC; Darrell Goldman and Andy Bilger of Vecindario Management, LLC; Allen Douthitt of Bott & Douthitt, PLLC; Eddie Castro of Landscape Designs and Lawn Care LLC; Dave Forbes, the District’s Maintenance Supervisor; Tyler Brown, the District’s Parks and Recreation Supervisor; Blake Reynolds, the District’s Parks and Recreation Director; Jason Nobbe of Oro Design Group; and Bart Fowler of McCall, Parkhurst & Horton, L.L.P.

After the Pledges of Allegiance to the United States and Texas flags, Director Cosimeno stated that the Board would receive any Board member remarks and citizens communications. There being none, Director Cosimeno stated that the Board would consider the Consent Items on the agenda, including the minutes of the January 23, 2024 regular Board meeting. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the minutes, as presented.

Director Cosimeno next stated that the Board would consider the Election Items on the agenda. Mr. Dean referred the Board to the Supplemental Agenda and asked Mr. Fowler to review the Order Calling a Park and Recreational Facilities Bond Election for Sonterra Municipal Utility District and Making Provision for Conducting Such Election and Other Provisions Incidental and Related Thereto attached as **Exhibit “B”** (the “*Election Order*”) with the Board. Mr. Fowler presented the Election Order to the Board, which he explained would call a May 4, 2024 park bond election. Messrs. Jones and Reynolds then reviewed the revised draft summary of costs for the District’s park plan attached as **Exhibit “C”** with the Board. Mr. Dean then reviewed the Resolution Establishing Locations for Posting Bond Election Order attached as **Exhibit “D”** with the Board, which he noted would be finalized to include a third address within the District’s boundaries at which the Election Order would be posted. He also recommended that the Board authorize his office to give notice of the bond election as required by state law. After discussion, upon motion by Director Payne and second by Director Dunbar, the Board voted unanimously to (i) approve the Election Order; (ii) approve the Resolution Establishing Locations for Posting Bond Election Order, as would be finalized to include the third address; and (iii) authorize Mr. Dean’s office to give notice of the bond election.

Director Cosimeno then recognized Mr. Heroy to discuss matters regarding Lone Star Regional Water Authority ("LSRWA") with the Board. Mr. Heroy addressed the Board and stated that LSRWA was considering entering into an agreement with a private utility company that would use LSRWA's authority to serve water and wastewater throughout Williamson County to provide wastewater service to a few developments in the region. Mr. Heroy stated that he believed the deal had the potential to result in a rate dispute at some point, and that the District could be implicated due to Mr. Heroy and Mike Fischer serving on the LSRWA Board of Directors as the District's representatives. He added that the private utility had not been able to obtain its own sewer CCN to provide service, which caused him concern. Board discussion ensued regarding the risks and benefits of endorsing the deal. After discussion, the Board directed Mr. Heroy and Mr. Fischer to oppose the deal.

Director Cosimeno then stated that the Board would receive a report from the District's bookkeeper. Mr. Douthitt reviewed the bookkeeper's report attached as **Exhibit "E"** and recommended approval of the transfers, the Director and vendor payments, and the bond payments as listed in his report. Upon motion by Director Faske and second by Director Payne, the Board voted unanimously to approve the transfers, the Director and vendor payments, and the bond payments. Mr. Dean then presented the Resolution Adopting Amended and Restated Credit Card Use Policy attached as **Exhibit "F"** to the Board. He stated that the resolution would amend the District's current credit card use policy in various ways to better protect the District from the risk of employee misconduct. Director Roark stated that the amount of time for an employee to provide record of any charge incurred on a District credit card should be revised to five days. After discussion, upon motion by Director Faske and second by Director Payne, the Board voted unanimously to approve the Resolution Adopting Amended and Restated Credit Card Use Policy, as modified pursuant to Director Roark's comment.

Director Cosimeno next stated that the Board would receive a report from the District manager and recognized Mr. Goldman. Mr. Goldman provided his report to the Board. He first presented the proposal from Open Road Network Services attached as **Exhibit "G"** to configure a cloud-based monthly phone plan through Microsoft Teams for one phone line. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal. Mr. Goldman next presented a series of proposals for concrete slabs at the District's clubhouse and workshop. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposals from River City attached collectively as **Exhibit "H"**, subject to River City providing a 3% discount on the stated prices, as had been offered. Mr. Goldman then reviewed the costs of Ford Rangers, F-150s, and F-350s with the Board from various dealerships in the area. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve purchase of one F-350 and two Rangers through BuyBoard. Mr. Goldman advised that the trucks would likely take eight to ten weeks to arrive. Mr. Goldman then reviewed the proposal from Slater Painting Company attached as **Exhibit "I"** for toilet partitions. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal. Mr. Goldman next presented a proposal from Jorge Ortega to paint the District's clubhouse attached as **Exhibit "J"**. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal. Mr. Goldman then presented the proposal from Capital Air Conditioning Services to replace the air conditioning unit at the District clubhouse attached as **Exhibit "K"**. Upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the proposal, subject to Capital Air Conditioning Services providing a warranty of at least three to five years. Mr. Goldman then presented a proposal from Ken Dixon Plumbing Co., Inc. attached as **Exhibit "L"** for the installation of a water heater, faucets, toilets, and a fountain at the District clubhouse. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the proposal. Mr. Goldman then stated that he had identified a Gator utility vehicle for approximately \$14,000, but that must be purchased through Sourcewell. The Board directed Mr. Dean to determine

whether the District may purchase items through Sourcewell before moving forward with the purchase. The Board agreed to table consideration of the new District logo until the next regular Board meeting.

The Board next considered matters related to the Eastwood Amenity Center, including a statement of qualifications from Hitchcock Design Group, a statement of qualifications from Oro Design Group, and a proposal for Professional Landscape Architectural Services from Oro Design Group. Mr. Knobbe reviewed Oro Design Group's statement of qualifications and proposal with the Board, noting that the proposal was based on the Board's comments to the proposal presented to the Board at its last meeting. Mr. Nobbe stated that the proposal now included the services of various subcontracted professionals and contemplated the Board's desire to modify the existing plan set for Phase 1 of the Eastwood Amenity Center. Board discussion ensued regarding whether to approve the proposal from Oro Design Group, since the Board did not yet know whether the bond election would result in additional park bond authority, and may want to reallocate bond funds to projects other than the Eastwood Amenity Center. Mr. Jones recommended the Board move forward with submitting a park bond application to the TCEQ for purposes of purchasing the existing park facilities from the developer. He added that he would need a cost estimate for the Eastwood Amenity Center soon if the Board wanted to include it in the bond application. After discussion, upon motion by Director Dunbar and second by Director Faske, the Board approved the negotiation and execution of an agreement with Oro Design Group for preparation of a cost estimate for Phase 1 of the Eastwood Amenity Center, and an option for the District to engage Oro Design Group to subsequently provide landscape design services for the project.

Director Cosimeno next stated that the Board would next receive a report from the District's Director of Parks and Recreation. Mr. Reynolds addressed the Board and provided his report. He noted in particular that the youth basketball program had been going well; that he had been planning the District's summer camps; that he was working with Trent Rush of Hitchcock Design Group on the District's amended master park plan; that the pool technician position had not yet been filled; that seasonal hiring for lifeguards and other pool related positions was ongoing; and that Mr. Brown and he would attend the TRAPS conference soon. He added that the printer that had been leased would arrive tomorrow; that CivicRec was still being set-up, which should be complete by March; that he had paused rental requests of the District's clubhouse pending completion of the clubhouse renovation; that he had been working with Mr. Dean and Mr. Douthitt regarding setting up employee benefits; and that the parks and recreation survey had received many responses, which he had shared with Hitchcock Design Group. Mr. Reynolds then presented the revised Parks and Recreation calendar and the 2023-2024 event budget to the Board. He then presented proposals from Fidelis Publishing Group to publish a cover feature and story for the District's summer camps and publish the Parks and Recreation Department's strategic plan. Director Payne recused himself from discussion regarding the matters due to a conflict. Director Faske requested that a QR code be placed in the strategic plan publication. Upon motion by Director Faske and second by Director Dunbar, the Board voted 4-0-1 to approve the proposals attached collectively as **Exhibit "M"**, with Director Payne abstaining. Mr. Reynolds then recommended that the Board approve the proposal from Moore Liberty Buildings to install a storage building. Director Faske stated that the District should use the workshop for storage, and the trucks that had been approved for purchase to transport items to and from the workshop, as needed. Director Cosimeno agreed. Director Roark stated that she would like the Board to further discuss use of the trucks. Mr. Reynolds next presented a proposal from Mcliff for vending services attached as **Exhibit "N"**. Board discussion ensued regarding the possibility of stocking a vending machine "in-house". Director Faske stated that he believed it would be better to have a third party keep up with inventory and stock a vending machine. The Board agreed to table the item. Mr. Reynolds then presented a proposal from Enterprise attached as **Exhibit "O"** for a vehicle rental for the upcoming TRAPS conference that he and Mr. Brown would be attending. Upon motion by Director Roark and

second by Director Faske, the Board voted unanimously to approve the proposal. Mr. Reynolds next asked if the District's Rate Order could be amended to change the name of the "Parks and Recreation Fee" to the "Parks Fee", which he stated would be more clear to residents when they saw the fee on their bills. Mr. Dean noted that Cool Water MUD would need to amend its rate order as well in order to implement this change to all residents served by the District. Upon motion by Director Cosimeno and second by Director Payne, the Board directed Mr. Dean to draft an amendment to the Rate Order and to request that Cool Water MUD amend its rate order as well. Mr. Reynolds then stated that the District's parks and recreation signs, hours of operation of facilities, and park rules needed to be evaluated. The Board directed Mr. Reynolds to make recommendations to the Board regarding the hours of operation of the District's parks facilities. The Board further directed the Parks and Recreation Subcommittee to prepare a recommendation to the Board regarding District park signage and naming conventions. Mr. Reynolds then stated that the Jarrell Chamber of Commerce had asked to use the District's office building for its board meetings. Director Roark asked if the meetings would interfere with any District business. Mr. Reynolds stated that the meetings may interfere with District summer camps. After discussion, upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to authorize the Jarrell Chamber of Commerce to use the District's office building for its meetings, on the condition that it inform the District of the reason why it could not use City of Jarrell facilities. Mr. Reynolds then asked the Board to establish a per diem for the TRAPS conference. Upon motion by Director Roark and second by Director Cosimeno, the Board voted unanimously to approve a per diem of \$80/day for each attendee. Mr. Reynolds then asked for clarification regarding the District's background check process. The Board agreed that NCSI would be used for all background checks, and that background checks for seasonal employees and volunteers would be conducted once per season. The Board then considered whether to continue to prohibit access to the District pool and other facilities and events on account of delinquent HOA bills. Director Faske stated that the District should not continue this practice. Director Cosimeno stated that there should be repercussions for delinquency. Upon motion by Director Faske and second by Director Dunbar, the Board voted 4-1 in favor of ceasing the practice, and asked Mr. Dean to notify the HOA. Director Reynolds asked whether the Parks and Recreation Subcommittee had authority to approve any items outside of Board meetings. The Board agreed that the subcommittee would serve an advisory role only, except as otherwise specifically authorized by the Board. Director Reynolds asked that an item be included on the next agenda for his employee review.

Director Cosimeno next stated that the Board would consider hiring and employment related matters. He stated that he had been interviewing candidates for the District's Human Resources Generalist position and had three final candidates to choose from. Upon motion by Director Roark and second by Director Dunbar, the Board voted unanimously to authorize the Employment Subcommittee to hire an Human Resources Generalist on the terms and for the compensation determined by the subcommittee.

Director Cosimeno then stated that the Board would not receive an operations report that month due to Mr. Hendrix's absence.

Director Cosimeno then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones reviewed his report with the Board, attached as **Exhibit "P"**. Mr. Jones reported that he would discuss the possibility of Jarrell-Schwertner Water Supply Corporation obtaining a new blanket CCN with Mr. Dean. Mr. Jones next reported that his firm had issued a letter to Crossroads to authorize connections to be made in Cool Water Phase 5. He then recommended the following to the Board with respect to the Water Treatment Plant No. 1 High Service Pump Station: (i) acceptance of the repaired pump and motors; (ii) approval of Change Order No. 3 attached as **Exhibit "Q"**; (iii) approval of Pay Application No. 23 attached as **Exhibit "R"**; (iv) approval of the final Pay Application attached as **Exhibit "S"**, which he noted was different from Pay Application No. 23; and (v) acceptance of the project for operation

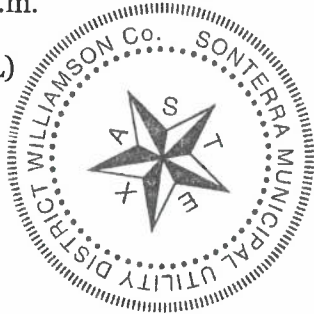
and maintenance. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the items as recommended by Mr. Jones. Mr. Jones then presented Pay Application No. 2 for the Elevated Storage Tank at WTP No. 2 project attached as **Exhibit "T"** and recommended approval. He additionally recommended that the tank be painted "warm sun". Upon motion by Director Dunbar and second by Director Cosimeno, the Board voted unanimously to approve the pay application and that the tank be painted "warm sun".

Director Cosimeno stated that the Board would receive a report from the District's attorney. Mr. Dean presented the engagement letter with Chuck Campbell of Jackson Walker attached as **Exhibit "U"**. Mr. Dean recommended that the District engage Mr. Campbell to provide legal advice regarding the District's benefits packages for its employees. Upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve the engagement letter.

Director Cosimeno stated that the Board would consider its future meeting schedule and agenda items. The Board agreed that it would hold its next meeting as regularly scheduled.

There being no further business to come before the Board, the meeting was adjourned at 9:17 p.m.

(SEAL)



Raven Dunbar
Secretary, Board of Directors

Date: March 18, 2024