

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

August 27, 2024

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A *special* meeting of the Board of Directors of Sonterra Municipal Utility District was held on August 27, 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 2:02 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 of Jones-Heroy & Associates, Inc.; Dennis Hendrix of Crossroads Utility Services LLC (“*Crossroads*”); Allen Douthitt of Bott & Douthitt, PLLC; Blake Reynolds, the District’s General Manager; Eddie Castro of Landscape Designs and Lawn Care; and Carter Dean of Armbrust & Brown.

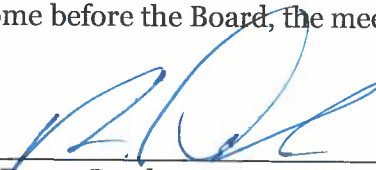
After the Pledges of Allegiance to the United States and Texas flags, Director Cosimeno stated that the Board would receive any Board member remarks or citizens communications. There being none, Director Cosimeno then recognized Mr. Douthitt, who reviewed the draft fiscal year 2025 operating budget with the Board attached as **Exhibit “B”**, including various projected revenues and expenses. Board discussion ensued regarding various budgetary items. Mr. Jones stated that Expergy needed to be consulted regarding the schedule for capacity payments to Lone Star Regional Water Authority. Director Faske asked if promoting winter wastewater averaging to residents would help reduce water usage during the winter. Mr. Hendrix stated that, in his experience, residents generally did not heed the advice. The Board asked Mr. Dean to review the Strategic Partnership Agreement with the City of Jarrell and the payments thereunder, since there was an associated line item in the budget for \$12,500. Mr. Hendrix stated that he could not predict the cost of the Lead and Copper Rule compliance, since there was a chance that the District would be required to replace water lines in the schools in the District if the lines had galvanized or lead pipes. In connection with discussion regarding projected insurance costs, Mr. Dean stated that he would send the 2024-2025 insurance renewal to Mr. Douthitt. Director Cosimeno asked for a schedule to be developed for inspection and maintenance of the District’s ponds. The Board discussed the need to increase its water and wastewater fees in order to pass through the increased rates from Lone Star Regional Water Authority. Mr. Dean stated that Jay Joyce of Expergy needed to conduct a rate study in order to determine the appropriate water and wastewater rate increases, which would likely take a few months to complete. He added that he would contact Mr. Joyce and arrange a call with him and the relevant District consultants. Mr. Douthitt was asked to make various revisions to the draft budget, however, no formal action was taken.

Director Cosimeno then recognized Mr. Reynolds to provide the manager’s report. Mr. Reynolds discussed the possibility of obtaining one or more credit cards for a select few District employees in management positions, and increasing the monthly spending authorization in order to allow for more efficient District operation. Messrs. Douthitt and Dean cautioned against obtaining additional credit cards, due to the risks involved. Board discussion ensued. After discussion, the Board directed Mr. Reynolds to work with Mr. Dean regarding an amended resolution regarding credit card use and spending authorization. Mr. Reynolds then stated that he planned to attend the 2024 Financial Sustainability Certification Program in College Station in October. Director Roark noted that the proposed hotel cost was too high, and that reasonable accommodations could be found at a more modest price. The Board agreed. Upon motion by Director Cosimeno and second by Director Faske, the Board voted unanimously to authorize Mr. Reynolds and Tyler Brown’s attendance at the conference, including \$65 per diems, with the stipulation that the hotel rooms reserved be at least half the cost of the current estimate.

Director Cosimeno then stated that the Board would consider the expiration of agreements with Landscape Designs and Lawn Care and the renewal thereof or solicitation of bids. Mr. Dean stated that there was not enough time to obtain bids from multiple landscaping companies before the current agreements expired on September 30th. Accordingly, he suggested that the District execute new one-year agreements with Landscape Designs and Lawn Care and, at the end of the one-year terms, proceed with the solicitation of bids. Mr. Castro addressed the Board and stated that he recommended a new two-year term for the each of the contracts, which would allow sufficient time to educate the District’s staff regarding District landscaping in case the District ever transitioned its landscaping work in-house or to another landscaping company. After discussion, the Board directed Messrs. Castro and Dean to negotiate new two-year agreements for consideration at the Board next meeting.

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

(SEAL)



Raven Dunbar Secretary,
Board of Directors

Date: September 9, 2024

