

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

June 17, 2024

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on June 17, 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 of Jones-Heroy & Associates, Inc.; Carter Dean of Armbrust & Brown, PLLC; Allen Douthitt of Bott & Douthitt, PLLC; Eddie Castro of Landscape Designs and Lawn Care LLC; Blake Reynolds and Tyler Brown of the District's Parks and Recreation Department; and James Wills of Crossroads Utility Services.

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 next stated that the Board would consider the Consent Items on the agenda, including (i) the minutes of the May 13, 2024 Board meeting; and (ii) the Amended and Restated Information Form attached as **Exhibit "B"**.

Director Cosimeno next stated that the Board would consider the Budget and Tax Items on the agenda. Mr. Dean reviewed the preliminary estimate of the District's 2024 net taxable value from the Williamson Central Appraisal District attached as **Exhibit "C"** with the Board. He next reviewed the schedule for adoption of the District's 2024-2025 budget and 2024 tax rate with the Board. He recommended that the Board reschedule its regular September meeting date to September 9th, so that the District's 2024 tax rate could be provided to the Williamson County Tax Assessor-Collector by the September 15th deadline. The Board agreed to move its September meeting date to September 9th, as recommended.

Director Cosimeno 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 listed in his report. Mr. Douthitt then reported that the District was approximately \$130,000 ahead of budget for the month; that the cable account disconnection was due to an issue on the provider's auto-pay system, and that service had been restored and the issue resolved; and that the District had a large balloon payment due under the lease-purchase agreement for the District's pool and clubhouse properties due soon. Mr. Dean stated that the District's final payment of approximately \$182,873.77 under the District's Real Property Lease/Purchase Agreement with Sonterra West Homeowners' Association, Inc. (the "HOA") was due on July 8th to the

Community Bank of Jarrell (the "Bank") in satisfaction of the \$350,000 promissory note dated March 8, 2011 by the HOA. Mr. Dean stated that Mr. Douthitt and he would confirm the final payment amount with the Bank and that, upon payment, the note would be extinguished and title to the following property would be conveyed to the District (the "Property"):

Lot 19, Block "C", of Sonterra West Phase 1B, a subdivision in Williamson County, Texas according to the map or plat thereof recorded in Cabinet AA. Slides 367-370, Plat Records of Williamson County, Texas, and

Lot 35, Block "C", of Sonterra West Phase V-A, a subdivision in Williamson County, Texas according to the map or plat thereof recorded in Cabinet AA. Slides 98-100, Plat Records of Williamson County, Texas.

Director Cosimeno asked what would happen to the monthly payments to the HOA for restrictive covenant enforcement once the balloon payment had been made and the title transferred to the District. Mr. Dean stated that the Real Property Lease/Purchase Agreement would terminate and the payments for restrictive covenant enforcement would need to be included in a new agreement with the HOA if they were to continue. After discussion, upon motion by Director Faske and second by Director Dunbar, the Board voted unanimously to approve the final payment under the Real Property Lease/Purchase Agreement, to approve any associated documentation, and to accept the Property upon conveyance. Mr. Douthitt then stated that he was still holding the check for final payment to Vecindario Management, Inc. at the Board's direction. Upon motion by Director Faske and second by Director Payne, the Board voted unanimously to approve release of the final check upon confirmation by Mr. Dean that the amount of the check was prorated through the correct final day of the contract with Vecindario. Then, upon motion by Director Faske and second by Director Payne, the Board voted unanimously to approve the transfers and the Director and vendor payments listed in the bookkeeper's report.

Director Cosimeno next stated that the Board would next receive a report from the District's Director of Parks and Recreation. Mr. Reynolds reviewed his report attached as **Exhibit "E"** with the Board. He reported that the swim season at the District's pool had gone well so far; that the clubhouse floor was done, and the clubhouse would reopen by July 1st; that he had met with Directors Dunbar and Payne and finalized the new clubhouse rental rates; that each household could obtain up to five pool passes; that he had purchased most of the items needed to open the District's pool and the Cool Water MUD pool for the summer; that the interior splash pad had been closed multiple times and repaired; and that the exterior splash pad had been experiencing drainage issues affecting neighboring landowners, but that the issue had been resolved. Director Faske asked that the exterior splash pad be checked daily to ensure that its drainage system was functioning property. Mr. Reynolds next reported that the District's Emergency Response Subcommittee had approved purchase of a new filter for the District's pool since the current filter was not functioning well and causing cloudy water conditions, which created a safety hazard. He stated that the pool had been closed numerous times due to the cloudy conditions. Mr. Reynolds then stated that, based on numerous recent inspection by various parties, the Cool Water MUD pool was not yet ready for acceptance by Cool Water MUD or operation by the District. He stated that he was hopeful that the pool could be opened by mid to late July. Mr. Reynolds next reported that planning of the Eastwood Amenity Center had been going well; that the fire code violations at the office building had all been resolved, and that he was working on bringing the clubhouse and maintenance shop into full compliance; that interviewing for the Aquatics Manager position was ongoing; that the employee handbook was still being revised; that he was working on the parks and recreation budget for the 2024-2025 fiscal year to provide to Mr. Douthitt by the end of July; that Oro Design Group was working on

planning the Phase 2 Trails and renovation of the Phase 1 Trails; that the new website would likely be online by September or October; and that the summer camps had been going well. Mr. Reynolds concluded his report by stating that he was working on a teambuilding schedule and budget; and that Matt Williamson of the Williamson County Road and Bridge Division had inspected the condition of roads at the entrance to the District and conversation was ongoing. Mr. Dean stated that Mr. Jones had recommended that the District solicit Statements of Qualifications from multiple landscape architects in order for the Board to prequalify them for possible engagement on various parks and recreation projects. Mr. Jones stated that so many projects were contemplated that he did not believe a single landscape architecture firm would be able to handle the workload alone. Upon motion by Director Dunbar and second by Director Payne, the Board voted unanimously to authorize Mr. Reynolds to formally request Statements of Qualifications from landscape architects for consideration by the Board. Mr. Reynolds then presented to the Board (i) Change Order No. 1 to the Proposal for Professional Landscape Architectural Services from Oro Design Group for the Eastwood Amenity Center attached as **Exhibit "F"**; and (ii) Change Order No. 2 to the Proposal for Professional Landscape Architectural Services from Oro Design Group for Sonterra MUD Phase 2 Trails attached as **Exhibit "G"**. Discussion ensued regarding the purpose and necessity of the Change Orders. After discussion, upon motion by Director Faske and second by Director Cosimeno, the Board voted unanimously to approve Change Order No. 1 and Change Order No. 2.

Director Cosimeno next stated that the Board would consider the hiring and employment matters. There being no items to consider, Director Cosimeno next reviewed the security patrol report with the Board. He reported that there had been an increase in break-ins and that Deputy Kidwell had asked for an increase in patrol hours to address the issue. Director Cosimeno stated that, accordingly, the Security Subcommittee had increased the number of patrol hours per month by 20.

Director Cosimeno then stated that the Board would consider the District's mowing and landscape maintenance and recognized Mr. Castro. Mr. Castro reviewed the Landscape/Irrigation Report attached as **Exhibit "H"** with the Board. He stated that he would investigate the splash pad drainage issue with Mr. Jones to determine what could be done to address the issue. Director Faske asked whether someone was maintaining the landscaping at the Cool Water MUD pool. Mr. Castro responded that no one had taken over landscape maintenance at the Cool Water MUD pool yet.

Director Cosimeno stated that the Board would receive the operator's report and recognized Mr. Wills, who was filling in for Mr. Hendrix. Mr. Wills introduced himself to the Board and reviewed the operator's report attached as **Exhibit "I"**. Mr. Wills reported that water loss had been low; that there were no write-offs that month; that the lift stations had been skimmed and cleaned; that the Water Treatment Plant No. 1 bathroom facility had been completed; that the lights on EST No. 1 had been replaced; and that the odor issue at Lift Station No. 4 continued to be addressed by subsidizing flows.

Director Cosimeno then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones presented his report attached as **Exhibit "J"** to the Board. He reported that Water Well No. 1 was still offline due to water quality issues; that there were approximately 100 tracts that needed to be conveyed to the District from the developer and the HOA; that there would be no GIS update that year, since there were no new subdivisions, but that the online GIS access was up and running; that the application for the District's first park bond was submitted to the TCEQ on May 31st, and a letter declaring the application "administratively complete" was subsequently received from the TCEQ; that the District's CCN boundary would need to be amended, since Jarrell-Schwertner WSC's CCN would likely be amended to be a "blanket" CCN; that he had been working with Williamson County regarding the utility and easement relocations that would be necessary in connection with the County's CR 314 roadway project;

that the Cool Water Amenity Center and Pool was not yet complete, and that numerous parties were inspecting and providing punch list items to the contractor, which were being addressed; and that a representative of Fiber First had advised that Fiber First's insurance would reimburse the District for the repair of the its broken utility line. Mr. Jones stated that the Board may want to consider directing Mr. Dean to send a demand letter to Fiber First if the reimbursement had not been made by the following month. Mr. Jones then stated that he had received answers from Lone Star Regional Water Authority's attorney in response to a number of questions regarding the City of Salado's prospective membership. In response to a question from Director Cosimeno, Mr. Jones recommended that the Board approve the Joint Resolution Approving Petition for Membership in Lone Star Regional Water Authority attached as **Exhibit "K"**. He stated that he saw no "red flags" and that the addition of the City of Salado as a member would marginally decrease the District's costs. He added that the only obvious drawback was the dilution of the District's representatives' voting power. Board discussion ensued. After discussion, upon motion by Director Dunbar and second by Director Faske, the Board voted unanimously to approve the Joint Resolution Approving Petition for Membership in Lone Star Regional Water Authority. Mr. Jones then recommended approval of Pay Application No. 5 from Caldwell Tanks, Inc. for the Elevated Storage Tank at WTP No. 2 project attached as **Exhibit "L"**. Upon motion by Director Roark and second by Director Faske, the Board voted unanimously to approve Pay Application No. 5. Mr. Jones then recommended approval of Change in Scope and Fee No. 1 on the Elevated Storage Tank at WTP No. 2 project. Upon motion by Director Dunbar and second by Director Faske, the Board voted unanimously to approve the Change in Scope and Fee No. 1.

Director Cosimeno stated that the Board would receive a report from the District's attorney. Mr. Dean reported that he had resubmitted the District's previously submitted Drought Contingency Plan to the TCEQ, since he had been advised that the TCEQ would approve the plan, and that the updated plan could be submitted at a later date, once Lone Star Regional Water Authority's plan, on which the District's updated plan relied, had been completed. He then presented the letter from the TCEQ attached as **Exhibit "M"** approving the plan. Mr. Dean then presented a draft Interlocal Agreement Regarding Management of Cool Water Pool and Amenity Center with Cool Water MUD to the Board. The Board agreed that the requirements in the agreement were excessive and that the Cool Water Pool Subcommittee's authority over pool operations should be decreased. Mr. Dean was directed to revise the agreement to address these issues, and to clarify the handling of liability in the agreement.

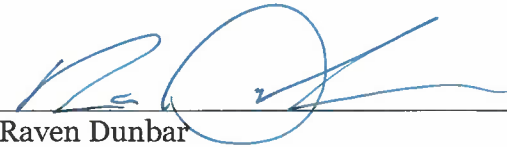
At 8:03 p.m., Director Cosimeno stated that the Board would convene in executive session to consider personnel matters related to filling the General Manager position in executive session. At 8:34 p.m., Director Cosimeno stated that the Board would reconvene in open session, noting that no action had been taken while in executive session. Upon motion by Director Roark and second by Director Dunbar, the Board voted unanimously to appoint Mr. Reynolds as the District's General Manager, effective June 18th. Then, upon motion by Director Roark and second by Director Payne, the Board voted unanimously to promote Mr. Brown to Parks and Recreation Manager, effective June 18th.

The Board considered its future meeting schedule and agenda items and agreed that it would meet next month on its regular meeting date.

There being no further business to come before the Board, the meeting was adjourned at 8:37 p.m.

(SEAL)





Raven Dunbar
Secretary, Board of Directors

Date: July 15, 2024