

MINUTES OF SPECIAL MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Monday, July 21, 2014

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the “District”) held a regular meeting, open to the public, at 6:00 p.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 21st day of July, 2014, and the roll was called of the duly constituted officers and members of the Board, to-wit:

John Faske	President
David Chandos	Vice President
Darrell Goldman	Secretary
Trisha Allen	Treasurer
Dale Thornton	Assistant Secretary

and all of said persons were present, thus constituting a quorum. Also in attendance were Holly Gonzalez of Municipal Accounts & Consulting, L.P.; Andy Bilger; Jason Jones of Jones-Heroy & Associates; Jana Edwards of McCall, Parkhurst & Horton, LLP; Ronald Freeman of Freeman & Corbett and a few citizens.

1. The Board first considered the Supplemental Agenda item related to consideration of approving engagement letters for Bond Counsel and Special Tax Counsel for the District’s issuance of bonds. Mr. Freeman explained the different roles of Bond Counsel and Special Tax Counsel, presented a draft engagement letter for his firm to continue to represent the District as Bond Counsel with the same fee arrangement as currently existed (but with a notation that the District would retain McCall, Parkhurst & Horton, LLP as Special Tax Counsel in lieu of the District’s prior tax counsel. Mr. Freeman then introduced Jana Edwards, a partner at McCall, Parkhurst and Horton, LLP, and recommended the Board consider hiring her firm as Special Tax Counsel. Ms. Edwards then described her firm and its proposed engagement letter. After discussion, upon a motion by Director Thornton and a second by Director Chandos, the Board unanimously approve engagement letters for each firm. Copies of the engagement letters are attached to these minutes.

2. Next, Mark Adams, Chief of Williamson County Emergency Services District No. 5 spoke to the Board about the budget and needs of the ESD and its appreciation for the District’s support of the ESD. He asked that the Board continue to support the ESD going forward in the next budget process for each entity.

3. The Board next considered the minutes of the Board’s June 16, 2014 meeting. After discussion, Director Allen made a motion to approve the minutes. Director Faske seconded the motion, which the Board passed unanimously.

4. The Board then considered the Utility Operator's Report. Mr. Bilger reported that Mr. Anderson would be unable to give his report due to the fact that he had suffered from the heat while inspecting District facilities and was being attended to by paramedics.

5. The Board then considered the Bookkeeper's Report. Ms. Gonzalez presented a list of bills and invoices to the Board in her report and a list of supplemental checks. She recommended that all the items be approved. Director Allen moved to approve the bills and invoices and checks as recommended. Director Chandos seconded the motion, which the Board passed unanimously.

6. The Board next considered the Engineer's Report. Mr. Jones discussed the status of various projects. He then asked for Board approval of the following items:

- a. Section 8H & Section III Phases 4 and 5 water, wastewater and drainage facilities Change Order 1 in the increased amount of \$16,047; and
- b. Section 8H & Section III Phases 4 and 5 water, wastewater and drainage facilities Change Order 2 in the increased amount of \$6,584.

Upon a motion by Director Chandos and a second by Director Goldman, the Board unanimously approved the two change orders as recommended.

7. The Board next discussed the Lone Star Regional Water Authority. Mr. Freeman reported that the Board of that District was not meeting in July or August.

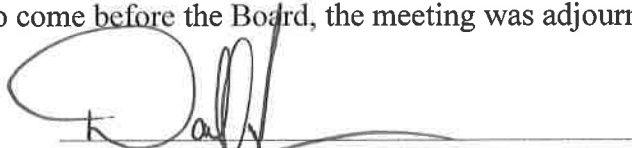
8. The Board was then updated by Mr. Bilger on the status of discussions with Clawson Disposal about renewing its contract with the District for solid waste disposal services. Mr. Bilger said a draft agreement had been sent to him by Clawson and that he would forward it to Mr. Freeman for review. Upon discussion, Director Faske asked that Mr. Bilger obtain one more proposal for the services and bring the matter back to the Board next month. No action was taken by the Board.

9. The Board then considered the Manager's report. Mr. Bilger gave a brief report on the District's operations and facilities. In particular, Mr. Bilger stated he had received proposals from three landscape service companies and that he recommended that the District consider retaining EcoSystems to assist the District and its personnel in maintaining the District's landscape areas and facilities. Upon a motion by Director Goldman and a second by Director Allen, the Board unanimously authorized the President to negotiate and execute such an agreement with EcoSystems in the range of approximately \$2,500 per month.

10. The Board next considered a draft budget and proposed tax rate. Mr. Freeman advised the Board that the District had not yet received the certified property values from the WCAD so no action was needed on this item.

11. Director Chandos then requested that the Board go into executive session to receive legal advice regarding the Manager's Report given in Item 10. Accordingly, the Board recessed into Executive Session at 7:31 p.m., to receive legal advice. At 7:38 p.m., the Board reconvened in open session. Mr. Faske announced that no action had been taken in Executive Session.

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



Secretary, Board of Directors

(SEAL)

