

MINUTES OF SPECIAL MEETING OF  
SONTERRA MUNICIPAL UTILITY DISTRICT  
Thursday, August 18, 2011

STATE OF TEXAS                   §  
  §  
COUNTY OF WILLIAMSON       §

The Board of Directors of Sonterra Municipal Utility District (the "District") held a special meeting, open to the public, at 9:00 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 18<sup>th</sup> day of August, 2011, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Bill Gravell	President
Lenn Schwarz	Vice President
William Frymire	Secretary
Trisha Allen	Treasurer
Erna Wedge	Assistant Secretary

and all of said persons were present except Director Wedge, thus constituting a quorum. Also in attendance were Theron and Ellie Vaughan; Mike Lufe of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Fisher and Jack Avis of Baker-Aicklen and Associates, Inc.; Annie Napoli; Garry Kimball of Specialized Public Finance Inc; and Ronald Freeman of Freeman & Corbett.

1. The Board first received citizens' comments. No action was taken by the Board.
2. Next the Board considered the minutes of the Board's July 21, 2011 meeting. Director Frymire made a motion that the Board approve the minutes. Director Schwarz seconded the motion, which the Board passed unanimously.
3. The Board then considered the Utility Operator's Report. Mr. Anderson gave a brief update on the status of facilities and services within the District. Mr. Anderson provided the Board with a well level report. Mr. Anderson informed the Board that last month the District had approximately 6.5% unaccounted water and this month the District had approximately 9.78% unaccounted water. Next, Mr. Anderson went over the lab results from Well # 1. The results were within acceptable limits and Well #1 can be put back in service. Ms. Allen then requested Mr. Anderson to include a sentence about the importance of conserving water in all future water bills. Mr. Anderson said he would do that if the District provided him the wording.
4. The next item was consideration of the bills and invoices. Mr. Lufe presented a list of bills and invoices to the Board in his report in the agenda material, gave the Board a list of supplemental expenses to be approved and explained the Bookkeeper's Report. Mr. Lufe recommended the District void Check No. 6386 for Director Wedge's director fee since she was unable to attend the meeting. Director Frymire made a motion to approve the bills and invoices as well as supplemental Check Nos. 6417-6430 as recommended by Mr. Lufe except Check No. 6328 for Director Wedge. Director Schwarz seconded the motion, which the Board passed unanimously. A copy of the list of bills and invoices is attached to these minutes.

5. The Board then considered the Developer's Report. Mr. Vaughan gave a brief update on the status of development within the District. No action was taken by the Board.

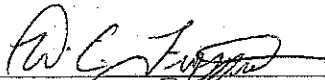
6. The Board then considered the Manager's Report. Mr. Bilger informed the Board that the recreational facilities had received \$4,500 in rentals and admissions with six weeks to go in the summer season. Mr. Bilger informed the Board that 5,850 people have used the swimming pool since the second week of June. Mr. Bilger also reported that he was working on identifying and controlling water loss.

7. The Board next considered the Engineer's Report. Mr. Fisher gave a brief update on the status of development within the District. No action was taken by the Board.

8. Next, the Board considered the proposed Budget for FY 2012, the preliminary tax rate and setting a date for a hearing on the tax rate. Mr. Lufe gave a brief report on the draft budget for the District. The draft budget included approximately a 15% decrease from 1st year's budget. Mr. Kimball provided an analysis of various proposed tax rates. Mr. Freeman advised the Board that whatever "proposed" tax rate they agreed upon today could not be exceeded when the actual tax rate was approved at the time of the budget and tax hearing. Upon a motion by Director Gravell and a second by Director Schwarz, the Board unanimously approved a proposed tax rate of \$0.85/\$100 of assessed valuation, established the hearing to consider adopting the tax rate for Thursday, September 15, 2011, at 10:30 a.m. at 113 Limestone Terrace, Jarrell, Texas, and authorized the issuance of the required notice for the public hearing.

9. The Board then considered the minutes from the June 16, 2011 Board meeting. After discussion, Director Gravell made a motion to correct item four to state that Director Schwarz was reimbursed as an exception to the "travel reimbursement guidelines" Rather than the District's ethics policy. The motion was seconded by Director Frymire and unanimously approved.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:00 a.m.



Secretary, Board of Directors

(SEAL)