

MINUTES OF SPECIAL MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, September 15, 2011

STATE OF TEXAS §
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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 15th day of September, 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
Erma Wedge	Assistant Secretary

and all of said persons were present, thus constituting a quorum. Also in attendance were Theron and Ellie Vaughan; Autumn Phillips of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Fisher and Jack Avis of Baker-Aicklen and Associates, Inc.; Ms. Isabel Fiebrich and her dog, Lucky; 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. The Board then conducted a public hearing regarding the budget and tax rate. No citizen comment was received.
3. Next, the Board considered approving the Budget for FY 2012. Ms. Phillips explained the Budget to the Board. After discussion, Director Frymire made a motion to approve the Budget for FY 2012. Director Allen seconded the motion, which the Board passed unanimously. A copy of the Budget is attached as an exhibit to these minutes.
4. Next, the Board considered the tax rate. Mr. Kimball provided an analysis of various proposed tax rates. Upon a motion by Director Gravell and a second by Director Allen, the Board unanimously approved a proposed tax rate of \$0.85/\$100 of assessed valuation, with an estimated breakdown of \$0.50 for debt service tax and \$0.35 for operation and maintenance tax as recommended by the District's financial advisor. The motion passed 4-1.
5. The Board then considered the District's signature authority policy for signing checks, disbursements, wire transfers, certificate of deposit transactions and similar matters. After discussion, Director Gravell made a motion to authorize any three Board members to sign checks. Director Frymire seconded the motion, which the Board passed unanimously.

6. Next the Board considered the minutes of the Board's August 18, 2011 meeting. By unanimous acclamation, the Board approved the minutes.

7. 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.

8. The next item was consideration of the bills and invoices. Ms. Phillips presented a list of bills and invoices to the Board. Director Wedge made a motion to approve the bills and invoices as recommended by Ms. Phillips. Director Frymire seconded the motion, which the Board passed unanimously. A copy of the list of bills and invoices is attached to these minutes.

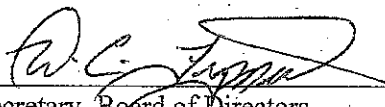
9. The Board then considered the Developer's Report. Mr. Vaughan gave a brief update on the status of development within the District. No action was taken by the Board.

10. The Board then considered the Manager's Report. Mr. Bilger discussed the unmetered fire loop at the local emergency services district office and also discussed citizens concerns over linkage of the minimum water and sewer bill at 10K gallons. After discussion, the Board directed Mr. Bilger to seek out bids for a Rate study.

11. 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.

12. The Board then considered implementing Smart Water Policies and similar conservation initiatives. After discussion, the Board tabled this item.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:30 a.m.


Secretary, Board of Directors

(SEAL)