

MINUTES OF REGULAR MEETING OF  
SONTERRA MUNICIPAL UTILITY DISTRICT  
Monday, September 15, 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 20<sup>th</sup> day of October, 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.; Garry Kimball of Specialized Public Finance; Andy Bilger; Robert Anderson and Dennis Hendricks of Crossroads Utility Services; Jason Jones of Jones-Heroy & Associates; Ronald J. Freeman of Freeman & Corbett; representatives of the solid waste service providers proposing to serve the District area and several citizens. Most citizens spoke in favor of retaining Al Clawson Disposal, Inc., due to their quality of service and community involvement.

1. First, the Board received comments from many speakers regarding the District’s waste management contract, including comments from representatives of each of the companies proposing to provide services to the District and from interested citizens. No action was taken by the Board.

2. The Board next considered the minutes of the Board’s September 15, 2014 meeting. After discussion, Director Chandos made a motion to approve the minutes. Director Thornton seconded the motion, which the Board passed unanimously.

3. Next, the Board discussed the proposals received from three of the companies proposing to serve the District: Al Clawson Disposal, Inc., Progressive Disposal Services and Round Rock Refuse. Mr. Bilger presented the Board with an analysis and comparison of the proposals by the three companies. After discussion, upon a motion by Director Goldman and a second by Director Allen, the Board voted unanimously to authorize President Faske, with assistance from Mr. Bilger, to negotiate with Al Clawson Disposal, Inc. and Progressive Disposal Services for the needed services and to execute a contract with the provider selected by President Faske and Mr. Bilger.

4. Next, the Board reviewed the draft Preliminary Official Statement and Notice of Sale for the District’s proposed \$7,500,000 Unlimited Tax and Revenue Bonds, Series 2014. Mr. Kimball presented the documents and asked for the Board’s approval of same and for

authority to issue the notice of sale for the District's Nov. 17 regular meeting. Mr. Freeman also presented a draft of a resolution for the Board to consider regarding federal tax compliance procedures. Upon a motion by Director Thornton and a second by Director Chandos, the Board unanimously approved the draft Preliminary Official Statement and Notice of Sale, authorized the issuance of notice of sale as recommended by Mr. Kimball and approved the resolution regarding federal tax compliance procedures. A copy of the resolution is attached to these minutes.

5. Next, Ms. Gonzalez presented a Budget for Fiscal Year 2014-2015 to the Board. After discussion, Director Goldman made a motion to adopt the Resolution approving the District's Budget for 2014-2015 Fiscal Year. Director Thornton seconded the motion, which the Board passed 4-1 with Director Allen voting against it. Copies of the Budget and Resolution are attached as exhibits to these minutes.

6. Next, the Board considered approving an engagement letter with Jones-Heroy & Associates for preparation of the application to TCEQ for approval of the District's next bond issue. Upon a motion by Director Thornton and a second by Director Faske, the contract was unanimously approved. A copy of the contract is attached to these minutes.

7. The Board then considered the Operator's Report. Mr. Anderson updated the Board on the status of the District's facilities and recommended that the Board solicit bids to refurbish Well No. 2. He indicated that the work urgently needed to be done now while water usage in the District was reduced due to the fall and winter climate. Upon a motion by Director Faske and a second by Director Chandos, the Board unanimously approved the District's Engineers and Manager to solicit bids for the work as required by law and to seek authority from the TCEQ to contract for the work on an emergency basis.

8. 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 three supplemental checks (Nos. 8390, 8391 and 8392). She recommended that all the items be approved. Director Allen moved to approve the bills and invoices and checks as recommended. Director Goldman seconded the motion, which the Board passed unanimously. A copy of the Bookkeeper's Report and list of supplemental checks are attached as an exhibit to these minutes.

9. The Board next considered the Developer's report and the Manager's report together. Mr. Bilger presented the reports. Mr. Bilger requested that the board authorize him to complete the purchase of certain playground equipment as previously approved as it was on sale at this time. Upon a motion by Director Allen and a second by Director Faske, the request was unanimously approved.

10. The Board next discussed appointing a director to the Board of Lone Star Regional Water Authority to replace Mike Elliott who had resigned. After discussion, Director Goldman made a motion to appoint Ken Heroy to the Board of the Lone Star Regional Water Authority to replace Mr. Elliott. Director Chandos seconded the motion, which the Board passed unanimously.

11. 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 item:

- a. Award of construction contract to McLean Construction in the amount of \$1,931,931 for construction of water, wastewater and drainage facilities for Section 8 I & Section 10 A.

Upon a motion by Director Goldman and a second by Director Thornton, the Board unanimously approved the award of the contract as recommended. A copy of the engineer's report is attached as an exhibit to these minutes.

Next, Mr. Jones recommended that the Board authorize the Manager to enter into contracts to make necessary erosion repairs to the detention facilities being purchased by the District in its upcoming bond issue, if required by the TCEQ inspection. The Board approved the recommendation by acclamation unanimously.

Finally, Mr. Jones asked for approval of an inspection services contract with his firm for District construction activities. Upon a motion by Director Thornton and a second by Director Faske, the Board unanimously approved the contract. A copy of the contract is attached to these minutes.

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



Secretary, Board of Directors

