

MINUTES OF REGULAR MEETING OF  
SONTERRA MUNICIPAL UTILITY DISTRICT  
Thursday, September 20, 2012

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 8:00 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 20<sup>th</sup> day of September, 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Bill Gravell	President
Vacancy	Vice President
John Faske	Secretary
Trisha Allen	Treasurer
David Chandos	Assistant Secretary/Treasurer

and all of said persons were present, thus constituting a quorum. Also in attendance were Andy Bilger; Michael Luft of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Fisher and Mike Robinson of Baker-Aicklen and Associates, Inc.; Annie Napoli; Ashley Singh; Linda Orick of Texas Municipal League Intergovernmental Risk Pool; Garry Kimball of Specialized Public Finance, Inc.; and Ronald J. Freeman of Freeman & Corbett.

1. First, the Board discussed the District's Insurance Policy. Linda Orick of Texas Municipal League Intergovernmental Risk Pool presented a proposal to the Board. After Discussion, Director Allen made a motion to approve the TML insurance proposal for the next annual insurance period and to pay the entire annual premium up front with a 2% discount. Director Faske seconded the motion, which the Board passed unanimously. As requested by Director Gravell, Ms. Orick stated she would review the ISO rating for the District to confirm that the correct ISO rating was used; if not, she would revise the premium downward.

2. Next, the Board heard from citizens. Ms. Napoli raised a concern about the District's maintenance personnel using the District's tractor to move dirt on a resident's lot.

3. The Board then considered the minutes of the Board's August 16, 2012 meeting. Director Chandos 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. Anderson gave a brief update on the status of facilities and services within the District.

5. Next, Mr. Luft presented a list of bills and invoices to the Board. Director Chandos made a motion to approve the bills except Check No. 6973 for Erma Wedge's director fee (since she has retired from the Board) and approve four additional checks for the monthly tractor payment, for the pool director's and landscape maintenance personnel's monthly

paychecks and for hourly overtime to the District's landscape maintenance personnel. Director Allen seconded the motion, which the Board passed unanimously. Copies of the list of bills and invoices are attached as exhibits to these minutes.

6. The Board then considered the Manager's Report. Mr. Bilger gave a brief update on the status of the District. He informed the Board that the land sale by Sonterra Development closed on September 11, 2012.

7. Next, the Board considered the Engineer's Report. Mr. Fisher reported that he had received a notice to proceed for the Sonterra Water System Communication Upgrade. A copy of the Engineer's Memorandum is attached as an exhibit to these minutes.

8. Next, the Board discussed taking action regarding activities related to Corn Hill Regional Water Authority ("CHRWA"). Director Gravell made a motion to approve CHRWA's recommendations of (i) a fee of \$15,000 for new member entities (plus their agreement to pay a pro rata share of CHRWA's annual expenses) and (ii) to search for a manager for CHRWA. Director Allen seconded the motion, which the Board passed unanimously. Mr. Freeman advised the Board that final approval of such actions by CHRWA would require subsequent approval by the boards of directors of both the District and CLL MUD 1, as the 2 current member entities of CHRWA.

9. The Board then conducted a public hearing regarding the tax rate for FY 2013. No comments were received. The hearing was then closed.

10. Next, the Board considered the Budget for FY 2013 and levying taxes for FY 2013. Mr. Luft explained the Budget and proposed tax rate(s) to the Board. Mr. Kimball also briefly reviewed the proposed tax rate. After discussion Director Faske made a motion to approve the Budget and adopt the Order Levying Taxes for FY 2013. Director Chandos seconded the motion, which the Board passed unanimously. Copies of the Budget and the Order Levying Taxes are attached as exhibits to these minutes.

11. The Board then discussed the District's Manager Position. After discussion, Director Allen made a motion to approve a General Management Services Agreement between the District and Crossroads Utility Services, L.L.C., subject to deleting Item 3 under Administration and revising Item 2 under Personnel. Director Chandos seconded the motion, which the Board passed unanimously. A copy of the final Agreement is attached as an exhibit to these minutes.

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



  
Secretary, Board of Directors