

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, October 20, 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 9:30 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 20th day of October, 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 except Director Schwarz, thus constituting a quorum. Also in attendance were Andy Bilger; Mark Burton of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Fisher, Jack Avis and Chris Robertson of Baker-Aicklen and Associates, Inc.; Isabel Fiebrich; Cathy Payne; and Ronald Freeman of Freeman & Corbett.

1. The Board first considered a report from Mr. Avis and Mr. Robertson of Baker-Aicklen and Associates, Inc., regarding the District’s GIS Mapping by that firm. No action was taken but the Board expressed their appreciation of the work and the mapping product.

2. Next, the Board considered the minutes of the Board’s September 15, 2011 meeting. Director Frymire made a motion to approve the minutes subject to correcting Ms. Fiebrich’s name and inserting the time that the meeting ended. Director Allen 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 informed the Board that the District’s water loss was at 12.5% but that much of the loss was due to unmetered water used by the fire department.

4. Next, Mr. Burton then presented a list of bills and invoices to the Board. Director Wedge made a motion to approve the bills and invoices as recommended by Mr. Burton and including payment for renewal of the District’s insurance policy. Director Frymire seconded the motion, which the Board passed unanimously. Copies of the list of bills and invoices and the District’s insurance policy are attached as exhibits to these minutes.

5. The Board then considered the Manager’s Report and the hiring of a rate consultant. Mr. Bilger recommended the Board hire Angie Rubottom as a rate consultant. Director Gravell made a motion to engage Angie Rubottom as a rate consultant. Director Wedge

seconded the motion, which the Board passed unanimously. Next, Mr. Bilger discussed that SAMCO investigated the District's water usage and found no problems; he noted that customers on Brushy and Shale Streets were using lots of water. Next, Mr. Bilger informed the Board that he had disposed of unused well pipe by donating it to the Jarrell horse rehabilitation program, a non-profit entity. Next, Mr. Bilger indicated he would be opening an account for the District at the local hardware store. Mr. Bilger next advised the Board that the District had received a wastewater bill from Jarrell that apparently was based on re-calibrated meter readings by Jarrell. However, Mr. Bilger noted that contrary to the agreement with Jarrell, the District had not been advised of the re-calibration nor was the District allowed to be present at the re-calibration. After discussion, Director Wedge made a motion not to pay the bill because Jarrell had violated the contract by not allowing the District to be present for the meter calibration. Director Frymire seconded the motion, which the Board passed on a vote of 3 for and 1 (Director Frymire) against.

6. The Board then considered an agreement with fire emergency services district regarding that district's inspection and maintenance of District fire hydrants. After discussion, Director Gravell made a motion to approve negotiation and execution of an agreement with the fire emergency services district in the amount of \$17,000 to have that district provide inspection and maintenance services for the District's fire hydrants for a period of one year, conditioned on the fire emergency services district continuing to keep open its station in the District area, noting not only the obvious benefit to the District from such inspection and maintenance services but also benefit to the District's citizens from continued ability of the fire emergency district to fight fires within the District. Director Wedge seconded the motion, which the Board passed unanimously.

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

Secretary, Board of Directors

(SEAL)