

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, February 17, 2011

STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the “District”) held a regular meeting, open to the public, at 10:30 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 17th day of February, 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/Assistant Secretary
Erma Wedge	Director

and all of said persons were present, thus constituting a quorum. Also in attendance were Theron Vaughan; Andy Bilger; Jason Jones of Jones-Heroy Engineers; Robert Anderson of Crossroads Utility Services; Lisa Adkins of Municipal Accounts & Consulting, L.P.; Bob West of West, Davis, & Company, Inc.; Gary Kimball of Specialized Public Finance, Inc.; and Anthony S. Corbett and Lauren Hughes of Freeman & Corbett.

1. First, the Board considered approval of the minutes of the Board’s January 20, 2011 meeting and January 31, 2011 meeting. Director Allen made a motion that the Board approve the minutes subject to revising “Horizon” to “Verizon” in the minutes from the January 20, 2011 meeting. Director Schwarz seconded the motion, which the Board passed unanimously.

2. The Board then considered the District’s Bond Issue No. 3. Mr. Kimball reviewed the timeline for the District’s third bond issue. After discussion, Director Schwarz made a motion to authorize Mr. Kimball to redraft the schedule to speed up the bond issuance process. Director Gravell seconded the motion, which the Board passed unanimously.

3. Next, the Board considered the engagement letter from Mr. West for preparation of the developer reimbursement audit for the District’s third bond issuance. Mr. West informed the Board the audit would cost approximately \$9,000-\$10,000. After discussion, Director Gravell made a motion to approve the engagement letter from West, Davis & Company, Inc., for preparation of the developer reimbursement audit for the District’s third bond issuance. Director Allen seconded the motion, which the Board passed unanimously. A copy of the engagement letter is attached as an exhibit to these minutes.

4. The Board then considered the Utility Operator’s Report. Mr. Anderson gave a brief update on the status of development within the District.

5. The next item was consideration of the bills and invoices. Ms. Adkins presented a list of

bills and invoices to the Board and explained the Bookkeeper's Report. Director Gravell made a motion to authorize Ms. Adkins to put \$50,000 in an Allegiance CD account. Director Frymire seconded that motion, which the Board passed unanimously. Next, Director Frymire made a motion to authorize Ms. Adkins to complete the wire transfers as outlined in her report. Director Schwarz seconded the motion, which the Board passed unanimously. Then, Director Schwarz 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.

6. 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.

7. The Board then considered the Construction Manager's Report. Mr. Bilger reported that Well # 1 was going to be a permanent well site. He also informed the Board that he was unable to obtain bids for the removal of the lift station and had decided to remove the pumps and control panel and then cover it with four feet of dirt. Next, Mr. Bilger informed the Board that he obtained an estimate from a company that would check the water lines for leaks. Mr. Bilger said that it would cost the District approximately \$4,000.00.

8. The Board next considered the Engineer's Report. Mr. Jones recommended the Board approve the following pay estimate:

- A. Pay Estimate No. 6
Sonterra West, Section 8-B
McLean Construction
JHA Jon No. 0061-065
\$753.79

Upon a motion by Director Frymire and a second by Director Schwarz, the Board unanimously approved the above referenced pay estimate. A copy of the Engineer's Report is attached as an exhibit to these minutes.

9. Next, Mr. Frymire presented a report to the Board regarding water conservation. No action was taken by the Board.

There being no further business to come before the Board, Director Wedge made a motion to adjourn. Director Allen seconded the motion, which the Board passed unanimously. The meeting was adjourned at approximately 11:50 a.m.

Secretary, Board of Directors

(SEAL)