

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, July 21, 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 21st day of July, 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 Wedge, thus constituting a quorum. Also in attendance were Theron and Ellie Vaughan; Mark Burton of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Bob West of West, Davis & Company; Mike Fisher of Baker-Aicklen and Associates, Inc.; Gary Martz and Joan Martz; David Webb; Dale ____; Jason Oliver; Kathy Dalton; Kenneth Mikesell; Gerald Hyden; Cynthia Clawson; Daina Sitgreaves; ____ aper; Anne Napoli; and Ronald Freeman of Freeman & Corbett.

1. The Board first received citizens' comments. Several residents stated their concerns about having to pay park fees each month even though they were not previously within the Sonterra HOA area (because they live in Hilltop Estates) and therefore did not previously pay for the recreation facilities previously controlled by that HOA. No action was taken by the Board in response to those statements.

2. Because of the statements in citizen's comments, the Board next considered the agenda item relating to proposed changes to the District rates and charges concerning park fees. After discussion, Director Gravell made a motion to maintain park fees in Hilltop Estates. Director Schwarz seconded the motion which passed 3-0-1, with Director Allen abstaining. The Board then considered revising the park fees charged to non-single family residential structures. After discussion Director Gravell made a motion to revise the monthly rates for park and recreational facilities for non-single family residences as follows: (i) \$5.25 for an efficiency apartment; (ii) \$7.00 for a 1 bedroom apartment; (iii) \$14.00 for a 2 bedroom apartment; and (iv) \$21 for a 3 bedroom or larger apartment. Director Allen seconded the motion, which passed unanimously.

3. Next the Board considered the minutes of the Board's June 16, 2011 meeting. Director Frymire made a motion that the Board approve the minutes. Director Schwarz 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. Mr. Anderson informed the Board the District was experiencing a slightly high water loss but some of it was due to line flushing last month. After discussion, Director Gravell made a motion to authorize Mr. Anderson to test the water levels in the District's wells two times per week. Director Allen seconded the motion, which the Board passed unanimously.

5. The next item was consideration of the bills and invoices. Mr. Burton presented a list of bills and invoices to the Board and explained the Bookkeeper's Report. Mr. Burton recommended the District void Check No. 6328 for Director Wedge's director fee since she was unable to attend the meeting. Director Frymire made a motion to approve the bills and invoices as recommended by Mr. Burton except Check No. 6328. Director Allen 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 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.

8. The Board then considered joining CASE. After discussion, Director Gravell made a motion that the District join CASE. Director Allen seconded the motion, which the Board passed unanimously.

9. The Board then considered a proposed agreement with the District's engineers, Baker-Aicklen and Associates. After discussion, Director Gravell made a motion to approve the agreement with the District's engineer subject to attorney review. Director Allen seconded the motion, which the Board passed unanimously.

10. Next, the Board considered a resolution adopting a policy to comply with the GASB Statement No. 54. Mr. West explained the policy to the Board. Director Gravell made a motion to adopt the resolution adopting a policy to comply with the GASB Statement No. 54. Director Frymire seconded the motion, which the Board passed unanimously. A copy of the resolution is attached as an exhibit to these minutes.

11. The Board then considered appointing directors to Corn Hill Regional Water Authority. After discussion, Director Gravell made a motion to appoint Mike Robinson and Andy Bilger to the Board of Directors of Corn Hill Regional Water Authority. Director Schwarz seconded the motion, which the Board passed unanimously.

12. The Board then considered taking action regarding the District's Water Conservation Plan and related matters. After discussion, Director Schwarz made a motion to authorize Mr. Bilger to implement Stage Two of the Water Conservation Plan. Director Frymire seconded the motion, which the Board passed unanimously.

13. Next, the Board considered an engagement letter for annual auditing services from West, Davis & Company. Mr. West explained the engagement letter to the Board. After discussion, Director Frymire made a motion to approve the engagement letter from West, Davis,

& Company to conduct the District's annual audit for FY 2011. Director Allen seconded the motion, which the Board passed unanimously. A copy of the engagement letter is attached as an exhibit to these minutes.

14. The Board then discussed when the Board should meet again. After discussion, Director Schwarz made a motion that the next Board meeting be at 7:00 p.m. on the District's regular meeting day. Director Allen seconded the motion, which the Board passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at approximately 12:30 p.m..

Secretary, Board of Directors

(SEAL)