MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
January 18, 2011

THE STATE OF TEXAS
WILLIAMSON COUNTY

The Board of Directors of the Fern Bluff Municipal Utility District convened in a regular meeting open to the public at 6:00 p.m. on January 18, 2011 at the Fern Bluff Municipal Utility District Community Center, 7320 Wyoming Springs Drive, Round Rock, Texas, pursuant to notice duly given in accordance with the law.

The roll was called of the following members of the Board of Directors:

Patrick Savarese	President
Joseph Teiber	Vice President
Dave Quillman	Secretary
Farrell Walker	Treasurer
Jessica Stempko	Assistant Secretary/Treasurer

All Directors were present, thus constituting a quorum. Also present were District General Manager, Janey Miller; Operations Manager, Hector Alanis; Scott Rhodes and Jennifer Waits of McGinnis Lochridge & Kilgore LLP; Community Center Manger, Cindy Alvarado; Mark Burns of Ecosystems, and several District residents.

1. Immediately upon calling the meeting to order, Director Teiber led the Pledge of Allegiance.

2. The Board then recognized members of Boy Scout Troop 97 who were in attendance to observe an open government meeting as part of their work in earning a citizenship merit badge. The Board then recognized Janice Bethelsen who introduced herself as the new President as the President of the Fern Bluff Neighborhood Association. Next, Mr. Aaron Finley addressed the Board to revisit potential traffic calming initiatives on Glen Canyon Drive. He recalled the county's recommendation to reinforce positive behavior by installing a "children at play" sign and other means of driver education. His presence was that of follow up and to request to be kept abreast of decisions related to any traffic calming devices or discussions related thereto. Mr. Bob Tagtow then addressed the Board to speak about winter wastewater averaging. He noted that he logged the amount of rain he received at his property, as to better manage his own water use. He experienced a leak between the water meter and his property and requested to Board to authorize financial relief from his bill during that time. General Manager Miller referenced the District's Rate Order, noting that there is policy approved by the Board to consider circumstances, such as a leak.

3. The first item of business was consideration of the consent agenda. Director Teiber moved that the Board approve the Consent Agenda containing the

December meeting minutes, payment of and transfers for operation expenses, and requests and change orders. Director Quillman seconded the motion, and upon being placed to a vote, the motion carried unanimously.

4. Next, the Board discussed wastewater averaging. Ms. Miller presented information related to the District's Rate Order with respect to wastewater averaging and how the Board considers relief for leak situations. Ms. Miller addressed Mr. Tagtow's earlier request to the Board for relief and agreed to contact him the next day to discuss his individual request. President Savarese reviewed the current policy of wastewater averaging.

5. The next item was a presentation of the Roads Committee to discuss and consider installation of speed calming signs. President Savarese said that that Williamson County proposes the District make the initial capital cost of the sign, and that the County will pay for the maintenance and operation of the sign. Director Stempko said that she is concerned that the sign stay the property of the District rather than that of the County. Ms. Miller suggested that the Board send a letter to the County requesting more officers be hired. Ms. Miller agreed to further research the purchase of the sign and present information to the Board at a later date. President Savarese then reported on the O'Connor road project.

6. Next, the Board discussed the Field Lottery Policy and date changes. President Savarese reviewed the District's historical practice of the field lottery, noting resident coaches and non-resident coaches have had the opportunity to play on the field. He added there has been discussion for a need to draft an actual policy that clearly defines fairness and that favors the tax payers of the fields. At that time, President Savarese moved that the Board create an ad hoc committee to create a field draft policy that favors a resident over a non-resident. Director Teiber seconded the motion and stated his interest in being on this committee. Director Stempko addressed her desire to charge fees for field use, and after a brief discussion, the Board clarified that her comments are related to Agenda No. 9. Director Stempko requested that agenda items No. 8 and No. 9 be blended, and that her request be added (fee for field use) to the charge of the ad hoc committee. Upon being placed to a vote, all directors voted, "aye" and the motion carried.

7. The Communications Committee then agreed to put a district-wide survey together. There was little discussion, and no action was required.

8. Next, the Board addressed District Committee Appointments. After a review of each committee and the current members, the Board duly appointed the following members to Board Committees:

   Roads – Directors Savarese and Stempko
   Parks & Recreation – Directors Teiber and Quillman
   Community Center – Directors Quillman and Stempko

Deed Restriction – Directors Quillman and Stempko
Security – Directors Teiber and Savarese

9. The next item of business was District-wide street sweeping. Ms. Miller recommended the Board consider choosing a date soon, as there is a 30-day lead time needed. Upon a motion by President Savarese and seconded by Director Stempko, the Board unanimously approved street sweeping with a date chosen at the discretion of Ms. Miller.

3. The Board then received reports from consultants and committees:

Landscape Contractor – Mr. Burns presented his report as contained in the Board packet. He reported on perennial planting up-keep and follow up on ball field improvements. At the last meeting he was asked to calculate the water usage and cost to water the fields with multiple run times, two days a week. He discussed these rates ($6,600.00 a year) with the Board, and asked them to consider the need for water for each season. He reviewed the cost of installation for the fields, totaling approximately $33,500.00, which the Board allotted in the District's budget. Director Quillman stated that he did not feel the Board had enough information to take any action. Director Stempko clarified that the only information missing was the cost of top dressing, aeration and mowing maintenance, which would be minimal since ECOSystems would already be mowing in that area. Director Quillman asked for a ballpark figure. After a simplified breakdown of costs and clarification of what is being asked of the Board, (by GM Miller) Director Quillman stated he does not feel comfortable taking any action. Director Teiber requested Mr. Burns to provide an estimate (considering varying soft costs) at the next meeting.

General Manager – Ms. Miller presented her General Manager's Report as contained in the Board packet, reviewing the financial, parks and District report. She distributed a corrected ledger of the general operation account, and informed the Board that Ralph Rocco of Round Rock Refuse is pleased with the District's recycling response, and that they are breaking ground on their own recycling center on February 14, 2011.

Operations Manager – Mr. Alanis presented his report on operations in the District as contained in the Board packet. He reported on sewer back-ups and leaks that are occurring on Springfield Gorge and that ST will keep the Board abreast of their efforts to work on those issues. He updated on the Board regarding meter change outs.

Parks & Recreation – Director Teiber reported that Boy Scout Troop 97 has expressed interest in the Adopt a Trail program and that they could potentially sign on to maintain a mile of the trail. He reported that the District's intent to sponsor a one-day clean up is still the plan, and that now is the time to start thinking about it. He remarked on the need for security cameras, and deferred to

Ms. Miller for a full report. Ms. Miller updated the report on the latest vandalism and presented a proposal for online access to the cameras from Dyez. The Board agreed to install the cameras and consider additional monitoring services at a later date if needed.

Deed Restriction – Director Quillman reported on the status of enforcement throughout the District. He presented the Board with photographs and information for the 3 of the latest deed restriction violations needing legal contact. Upon a motion by President Savarese and seconded by Director Teiber; the Board authorized McGinnis Lochridge & Kilgore to contact the property owners of the homes in violation.

Security – Director Teiber reported on his meeting with Lieutenant David regarding additional patrols in the District. He said that the county's response was that it is not realistic to increase patrols, as there are not enough patrol officers to do so. He said that the current patrols do run radar when policing the District, and that they will continue to do so. Ms. Miller recommended that the Board consider joining efforts with Brushy Creek MUD to share patrols. Director Teiber did not support the idea, and suggested the District concentrate their patrols in Fern Bluff rather than be bound to an inter-local agreement. Director Walker agreed.

Communications – Director Quillman remarked that the new website is close to final.

Newsletter – Items for the February newsletter include a year in review, the road dedication, vandalism and video surveillance, the new website, and wastewater averaging.

Director Stempko asked that the Board convene in a special meeting to discuss the ball field improvement proposal later in the month. The Board agreed to conduct the meeting on January 24, 2011 at 4:15 p.m.

There being no further business to come before the Board, the meeting adjourned at 8:30 p.m.

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Secretary
Fern Bluff MUD Board of Directors