MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
February 9, 2010

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 February 9, 2010 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
Jeff Bradley	Vice President
Joseph Teiber	Secretary
Farrell Walker	Treasurer
Dave Quillman	Assistant Secretary/Treasurer

All Directors were present with the exception of Directors Bradley and Quillman, thus constituting a quorum. Also present were District General Manager, Janey Miller; Operations Manager, Hector Alanis; Phil Haag and Jennifer Waits of McGinnis Lochridge & Kilgore LLP; Community Center Manger, Cindy Alvarado; Mark Burns of ECO Systems, and several District residents.

1. Immediately upon calling the meeting to order, President Savarese asked Director Teiber to lead the Pledge of Allegiance.

2. The Board then considered the first item of business; the Consent Agenda. Upon a motion by Director Teiber and seconded by President Savarese; the Board unanimously approved the items on the consent agenda, including the meeting minutes from the January regular meeting, payment of and transfers for operation expenses; requests and change orders.

3. Next, the Board discussed and considered a budget adjustment for meter change outs throughout the District. Ms. Miller explained that that the costs associated with the meter change out program for the District costs approximately $40,000, and rather than include this amount in the miscellaneous account, the Board could assign this money to a named “Meter Change Out” account, with its own line item in the monthly financial report. Upon a motion by Director Walker; and seconded by Director Teiber; the Board unanimously approved the transfer of money into a named “Meter Change Out” account to be a line item in each monthly financial report.

4. The next item of business for Board approval, was and amendment to Exhibit A of the wastewater contract with the City of Round Rock. Mr. Haag presented a resolution adopting the amendment, explaining the amended language in Exhibit A to the Contract. Upon a motion by President Savarese and seconded by Director Teiber; the Board unanimously approved the amendment. With the passage of this motion came a Board Resolution entitled,

RESOLUTION NO. 020910-1

A RESOLUTION OF FERN BLUFF MUNICIPAL UTILITY DISTRICT APPROVING DEBT SERVICE SCHEDULE FOR WASTEWATER SERVICES AGREEMENT

5. Next, the Board discussed a contract with Williamson County for off-duty officers. Director Teiber explained the history of this item, noting the Board has been working with Williamson County for several months to negotiate a contract for off-duty officers to patrol the District. Currently Fern Bluff MUD receives 100 hours a month of patrol services for $30.00 and hour. The new negotiated rate will be $39.89 an hour for 100 hours of patrol services however the deputies will be employees of the District while on patrol for Fern Bluff MUD. After further discussion, Director Teiber moved that the Board approve the proposed contract. Director Walker seconded the motion, and upon being placed to a vote, all Directors voted, “aye.”

6. The next item of business was a discussion of the April 10, 2010 District Clean-Up Day and April 11, 2010 Beautification Day. Ms. Miller presented this item noting that Round Rock Refuse will make extra rounds through the District to retrieve the items disposed that weekend with the exception of hazardous materials, as Round Rock Refuse does not dispose of those products at regular pick-ups and cannot do so during the Clean-Up event. The Board further discussed beautification efforts on April 11, 2010 and a budget for the events on April 10, 2010 and April 11, 2010. Upon a motion by President Savarese and seconded by Director Teiber; the Board unanimously approved an amount no to exceed $1,500.00 in expenditures for the event.

7. Next, the Board discussed the 2010 Director Election. Ms. Waits presented the Board with an Order calling the election, appointing her as the District’s Agent, and approving a contract for joint election services with Williamson County. She explained that Place 2 and Place 4 are up for election this year, and that Election Day is May 8, 2010. Upon a motion by President Savarese and seconded by Director Walker; the Board unanimously approved and called the District’s 2010 Directors Election. The passage of this motion carried with it and Order entitled,

ORDER NO. 10-0209-01

AN ORDER BY THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT CALLING A DIRECTORS ELECTION; PROVIDING FOR THE CONDUCT AND

THE GIVING OF NOTICE OF SAID ELECTION; AND CONTAINING PROVISIONS NECESSARY AND INCIDENTAL TO THE PURPOSES HEREOF

8. The next item of business was discussion regarding the progress of the Wyoming Springs project. President Savarese informed the Board that Homeowner associations in a neighboring area, Oak Lands have organized an effort to close off Falcon Drive, as drivers are using it as a short cut to FM 620 and are often speeding. He noted that to date, there are no final documents with the Cityt of Round Rock, as the City's attorney and MUD attorney, Scott Arnold are still finalizing language in the settlement papers. Ms. Miller reported that the extensive construction at the driveways at the community center is proving to be a deterrent to potential renters. She asked Mr. Burns of ECO Systems to brainstorm ideas for curb appeal that the community center as an effort to minimize the impact the construction has on the curb appeal of the center.

9. Next, the Board reviewed a proposed Theft Prevention Policy for the District. Ms. Waits explained that it is a policy to protect customer accounts, and is a standard practice for MUDs. Upon a motion by Director Teiber and seconded by Director Walker; the Board unanimously approved the policy as written.

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

    Landscape Contractor – Mr. Burns presented his report in its entirety and as contained in the Board packet. Additionally, he presented the following proposals:

1.) To install seven 5 gallon Dwarf Yaupons on the right side of the courtyard to compete hedge row; mulch and water need plantings.
2.) Install 23 LED landscape accent lights at strategic points throughout beds around community center; install 100 watt transformer and run+/- y Director Walker and seconded by Director Teiber; the Board unanimously approved the proposal as presented. Additionally, Mr. Burns presented a proposal to remove grapevine along a fence line between houses, and to remove dead cedar trees. The proposal also included services to thin remaining cedars and shape for form and health. Upon a motion by Director Walker and seconded by Director Teiber; the Board unanimously approved the proposal as presented; test system and adjust lighting upon completion.
3.) Install +/- 2 yards of crushed limestone and granite and Portland cement as backfill; stack and cement +/- 1 ton of limestone boulders to match existing stones; create seating area at leading edge of fountain area with limestone flat rock.

    Upon a motion by Director Walker and seconded by Director Teiber the Board unanimously approved all three proposals as presented.

Parks & Recreation – Kendall Heath, a resident and youth of Fern Bluff MUD presented a proposal to sell trees to beautify the parks and greenbelt throughout the District. Kendall's father, Clint spoke on behalf of his son's idea, asking that he work with the committee to pursue Kendall's vision. Director Teiber asked for further clarification on the scope of the proposal. Director Walker said he was interested in the idea, and asked Mr. Heath to draft a proposal of Kendall's plan for he and Director Teiber to review. Mr. Heath agreed.

General Manager – Ms. Miller presented her General Manager's Report in its entirety, and as contained in the Board packet.

Operations Manager – Mr. Alanis presented his report on operations in the District in its entirety and as contained in the Board packet.

Deed Restriction – Mr. Haag reported on a violation that according to MUD policy, is due to file suit. Ms. Miller reported that compliance is increasing, noting there were 6 trailer violations in the District, and now there is only one.

Security – Director Teiber said that he had no report in addition to the earlier discussed patrol matters.

Newsletter – Items for the February newsletter include the year in review; election information; and the District Clean Up and Beautification event. At that time, the website committee reviewed a proposal for web design services. Upon a motion by Director Teiber and seconded by director Walker; the Board unanimously approved the proposal as presented.

There being no further business to come before the Board, Director Teiber moved to adjourn the meeting at 7:50 p.m. Director Walker seconded the motion, and upon being placed to a vote, the meeting adjourned.

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Secretary
Fern Bluff MUD Board of Directors