MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
February 17, 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 February 17, 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 with the exception of Director Walker, thus constituting a quorum. Also present were District General Manager, Janey Miller; Operations Manager, Hector Alanis; Phil Haag of McGinnis Lochridge & Kilgore LLP; Community Center Manager, Cindy Alvarado; Mark Burns of Ecosystems; Don Allman and several District residents.

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

2. The first item of business was consideration of the consent agenda. President Savarese and Ms. Miller made changes to the January minutes. Upon a motion by Director Teiber and seconded by Director Stempko; the Board approved the Consent Agenda containing the revised January meeting minutes, payment of and transfers for operation expenses, and requests and change orders. Director Quillman abstained from voting.

3. Next, the Board reviewed the new citizen communications form. There was no action on this item and it was tabled for the next meeting.

4. The Board then reviewed the Audit for fiscal year ending September 30, 2010. Mr. Allman presented the audit to the directors and upon a motion by Director Teiber and seconded by President Savarese; the Board unanimously approved the audit as presented.

5. The next item of business was wastewater averaging. After discussing the issue, President Savarese moved that the Board drop the lowest month per address

when determining the wastewater rate. Director Teiber seconded the motion and upon being placed to a vote, the motion carried unanimously.

6. Next, the Board discussed the Field Lottery Policy. Director Quillman stated that he asked that this item be placed on the agenda. He asked the Board to look into the feasibility of charging a fee for field use, and stated that the newsletter stated that the policy had been changed. He asked if the former policy was public, and how did it get changed. He also stated he wanted to discuss the point system proposed by President Savarese. President Savarese stated that he has recommended that the policy be written out, as the old policy was in place when he joined the Board, and it contained a point system that wasn't being properly implemented. He reminded the directors that at the January meeting, the Board unanimously approved to create an ad hoc committee that was charged with crafting a policy that addresses charging nonresidents and oversight of the policy. After a lengthy discussion, there was no action on the item and it was tabled for a later date.

7. Ms. Miller then read a letter from Director Farrell Walker wherein he submitted his resignation. The directors commented on their admiration of Mr. Walker and how much they will miss working with him. Director Stempko moved to accept the resignation of Director Walker and President Savarese seconded. Upon being placed to a vote, all Directors voted, "aye." Mr. Haag confirmed that until someone is appointed, Mr. Walker remains a member of the Board.

8. 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.

   General Manager – Ms. Miller presented her General Manager's Report as contained in the Board packet, reviewing the financial, parks and District report.

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

   Roads – Ms. Miller informed the Board that the county intends to lay chip seal coat on the district roads. The Board agreed to have a committee meeting to discuss the issue further and meet with county officials. Additionally, the Board discussed the county's speed sign along Glen Canyon.

   Parks & Recreation – Ms. Miller discussed use of internet access security/surveillance cameras in district parks in response to recent vandalism.

   Deed Restriction – Director Quillman reported on the status of enforcement throughout the District.

Newsletter – Items for the February newsletter include a year in review, a vacancy on the Board of Directors, vandalism and video surveillance.

There being no further business to come before the Board, the meeting adjourned at 8:04 p.m.

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Secretary
Fern Bluff MUD Board of Directors