MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT

June 12, 2012

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 6:02 p.m. on June 12, 2012 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
George Sabatino	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; Mel Leal and Jennifer Waits of McGinnis Lochridge & Kilgore LLP; Community Center Manager, Cindy Alvarado; Brian Schmidt 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 district resident, MaryAnne Breaux, who addressed low hanging trees at the intersection of her street, and a foreclosed home that is next to her property, and in need of yard maintenance.

3. Next, the Board considered its first item of business, the consent agenda. Director Teiber moved that the Board approve the Consent Agenda containing minutes from the April and May meetings, payment of and transfers for operation expenses, requests and change orders and customer charge offs. Director Savarese seconded the motion, and upon being placed to a vote, the motion carried unanimously.

4. The next item of business was election of Officers. Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved to current officer titles and for them to remain as is.

5. The Board then discussed committee appointments and received reports from consultants and committees.

Landscape Contractor – Mr. Schmidt presented his report in its entirety and as contained in the Board packet. He reported that he has flagged trees that have surcomed to the drought and is preparing to do the same for greenbelt areas. He noted the irrigation system at Friendly Oaks Park was not watering a portion of the park due to a faulty wire, however the wire has repaired and the system is fully operable.

General Manager – Ms. Miller presented her General Manager's Report in its entirety and as contained on page 101 of the Board packet. She reported on a project to remove the root stem of a willow tree that has required the use of a back how and has produced a large amount of silt and dirt. She anticipates a four foot hole will be created in order scrape and level the area, as the stumps are extremely large.

Ms. Miller then discussed the purchase of a district maintenance vehicle with the board. She noted that it is not her for use as General Manager, but for the employees of the MUD that are using personal vehicles for maintenance projects. She noted that even with the purchase of a vehicle, the District will save money versus outsourcing the maintenance work to a 3rd party. Upon a motion by Director Savarese and seconded by Director Stempko, the board unanimously approved and authorized Ms. Miller to gather information to formulate her recommendation for a vehicle not to exceed $35K.

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

Parks & Recreation – Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved the following changes to the Parks & Recreation Committee: Remove Director Quillman and add Director Sabatino. Director Teiber reminded the Board that he inspected the tennis courts in April and while the courts are safe for recreational play and that there are no severe cracks that rendering them unsafe, the Board may want to consider setting money aside during budgeting for resurfacing.

Deed Restriction – Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved the following changes to the Deed Restriction Committee: Remove Director Stempko and add Director Sabatino. Director Quillman reported on the status of ongoing issues within the district, noting there has been significant improvement.

Budget – There were no changes to the Budget Committee. The committee agreed to meet the following week and discussed

Security – There were no changes to the Security Committee. Director Teiber reported that several citations have been issued for running the stop sign at the intersection of O'Connor and Morgan Hill.

The Board then discussed replacement of the park bathroom key access system. Director Teiber moved to accept a proposal by ADT for the system. Director Sabatino seconded the motion and upon being placed to a vote, Directors Teiber, Stempko, Sabatino and Quillman voted, "aye." Director Savarese abstained. Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved to charge $5.00 for bathroom fobs and $5.00 for tennis court fobs. Upon a motion by Director Sabatino and seconded by Director Stempko, the Board unanimously approved

Roads – Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved the following changes to the Roads Committee: Remove Director Stempko and add Director Teiber. Ms. Miller then presented a fact sheet from Williamson County regarding the King of Kings Crossing. She explained that the City of Round Rock sent a request to access MUD property to conduct a survey to the former address of the District's previous attorney from 2006. Consequently, she did not receive the request in time to respond by the City's deadline. She further explained that she is working to set a date to meet with City engineers and the City road and water utility department to discuss the project.

Environmental – There were no changes to the Environmental Committee and no report in addition to the matters presented above.

Communications & Newsletter – Upon a motion by Director Sabatino and seconded by Director Teiber, the board unanimously approved the following changes to the Communications Committee: Remove Director Savarese and add Director Stempko.

There being no further business to come before the Board, the meeting adjourned at 7:34 p.m.

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Secretary
Fern Bluff MUD Board of Directors