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

July 22, 2014

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 July 22, 2014 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, with the exception of Director 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, and Community Center Manager, Cindi Alvarado.

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

2. There were no citizen communications presented.

3. The first item of business was approval of the monthly consent agenda. Upon a motion by Director Teiber and seconded by Director Stempko, the Board unanimously approved the consent agenda containing the minutes of the June regular meeting; payment of bills and invoices, transfers for operation expenses, pay requests, change orders and customer charge write offs.

At 6:21p.m., President Savarese announced that the Board would convene in Executive Session pursuant to Section 551.071 of the Texas Open Meetings Act as to receive legal advice from the District's attorney and to discuss Agenda Item No. 7, "Terminate Contract with Severn Trent Environmental Services" and that no action would be taken.

The Board convened in regular session at 7:03 p.m. and President Savarese announced that no action was taken during Executive Session.

4. Next, the Board considered terminating the District's contract with Severn Trent Environmental Services. The Board discussed various aspects of Severn Trent's

functions within the District, including meter-reading, billing and accounting. Noting that many of these operations are best served in-house so as to provide responsiveness to District customers and promote accountability within District staff, the Board considered terminating the District's contract with Severn Trent. Director Savarese stated that although the Board has appreciated its relationship with Severn Trent, he moved that the Board terminate the District's contract with Severn Trent and to bring operations in house, including, but not limited to, meter reading, billing, accounting and the business as usual customer changes and the management of those changes in the general and day to day business of the MUD, and that transition begin at a time and manner considered appropriate by the Fern Bluff MUD General Manager, Janey Miller. Director Stempko seconded the motion and upon being placed to a vote, all directors voted, "aye" and the motion carried.

5. The following item of consideration was approval of a proposed contract with AVR Software for utility billing. The Board reviewed the proposal upon a motion by Director Savarese and seconded by Director Teiber, the Board unanimously approved the proposal with AVR and in the initial software and training fee amount of $21,230.00 to be paid at one time so as to save any finance costs.

6. Next, the Board discussed engaging an Auditor for fiscal year ending September 30, 2014. Upon a motion by Director Savarese and seconded by Director Sabatino, the Board unanimously approved to engage Don Allman as the District's Auditor. Director Savarese noted that Mr. Allman has served Fern Bluff MUD well since performing District audits, and that as a result of such transparent records and ease of review for Mr. Allman, his firm credited Fern Bluff MUD $2K from the 2013 Audit.

7. The Board then received reports from district consultants and committees.

   Landscape Contractor – Mr. Evans was not present, however his report was contained in the board packet.

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

   Operations - Mr. Alanis presented his report on District operations, noting the system is in good shape.

   Budget - The committee is scheduled to meet at the end of July.

   Parks & Recreation – No report.

   Community Center - As discussed in previous meetings, Ms. Miller obtained proposals to deconstruct the community center fountain and water feature and to replace it with a new patio, landscaping and lighting, so as to reduce the District's use of water and make better use of the space at the community center. Upon review of proposals from Ecosystems Landscaping and Chris Flores

Construction, Director Sabatino moved that the Board approve the proposal from Chris Flores Construction in the amount of $37,850.00. Director Teiber seconded the motion and upon being placed to a vote, the motion carried unanimously. The project will begin the week of August 18th.

Deed Restrictions - The contract between the District and Connect Community Management has been executed and deed restriction enforcement services will begin soon.

Security – Director Teiber reported that Williamson County plans to propose a cost increase for additional patrols throughout the community, including Fern Bluff MUD. He said that the increase is expected to be significant.

Environmental - Director Savarese reported that the committee is scheduled to review a third proposal for installation and construction of a rainwater collection system and once the committee is prepared to make a recommendation, the item will be brought before the Board at a future meeting.

Communications – No report.

There being no further business to come before the Board, the meeting adjourned at 7:23 p.m.

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Secretary
Fern Bluff MUD Board of Directors