MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
August 10, 2010

THE STATE OF TEXAS
WILLIAMSON COUNTY

The Board of Directors of the Fern Bluff Municipal Utility District convened in a budget committee workshop, open to the public at 5:00 p.m. and a regular meeting, open to the public, at 6:01 p.m. on August 10, 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
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 and Jennifer Waits of McGinnis Lochridge & Kilgore LLP; Community Center Manger, Cindy Alvarado; Mark Burns of ECO Systems; Ralph Rocco of Round Rock Refuse, and several District residents.

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

2. President Savarese announced the Board would then conduct a budget workshop to review and discuss items of revenue, and expense. There was no action on this item.

3. At 6:01 p.m. President Savarese announced the Board would conclude the budget workshop and would convene in a regular Board meeting. He then recognized several district residents that wished to address the Board in their support of the single stream recycling program proposed by the Board and later to be discussed in the meeting. Michael Dalahurst stated his generally pleasure with the idea of single stream recycling and thanked the Board for considering the idea. Joanie Brown also thanked the Board for their consideration of single stream recycling, noting she has seen the benefits of this refuse measure in other communities. She too supports the effort. Debbie Simmons approached the Board to share her experiences with the Fern Bluff community initiative for recycling. She said that her family and 25 others created a co-op 3 years ago

because of the lack of recycling availability in this community. She said she and the co-op are very enthusiastic about the idea of single stream recycling and had questions about the bidding process, the organizations the material is being sold to, and requested that residents have more say in the evaluation of the bids.

Julia Baldwin then addressed the Board and asked that someone from the Board contact Walgreens, because she felt the Walgreens Store at the entrance of Fern Bluff (on Wyoming Springs) was in need of cosmetic updates.

Mary Anne Breaux addressed the Board regarding deed restriction enforcement. She asked who the new contact is at PCMI, and wanted to alert the Board that she has seen an increase in violations within the last month, particularly with trailers and boats parked in driveways and at times, on the streets, causing traffic visibility issues.

4. The Board then considered the Consent Agenda. Director Teiber moved that the Board approve the Consent Agenda containing the July meeting minutes, payment of bills and invoices, transfers for operation expenses, pay requests and change orders, and to ratification and approval of the community center subdivision plat.

5. Next, the Board reviewed the responsibilities of municipalities including Home Owner Associations and Municipal Utility Districts. President Savarese noted that he prepared a draft of future web site language for a descriptive drop down menu of these responsibilities as to assist residents in contacting the correct municipality for their questions, concerns and comments.

6. The next item on the agenda was the proposed revisions to the Round Rock Refuse contract for solid waste removal. At this time, Mr. Rocco addressed the Board to present the single stream recycling initiative that is included in the revised contract. Mr. Rocco described the articles included in the single stream recycling, and answered many questions from both the Board and residents. The Board then reviewed the revised contract and upon a motion by Director Tiber and seconded by Director Stempko; the Board unanimously approved the proposed revised contract as presented.

7. The Board then discussed the Budget for fiscal year ending September 30, 2011. The tax rate remains the same from 2009-2010 and the Board agreed to pass along, to residents, the water rate increase from the City of Round Rock. Director Quillman reminded the Board about field improvements being a separate line item in the budget, as it currently is contained in the Parks fund. The Board agreed to move that to the capital outlay as a separate item, and decrease the Parks fund by $50K (the amount allocated for the field improvements).

   Jeffrey Martin addressed the Board and referenced a previous pond improvement from years back that included dredging. He noted the project

ended up being much more costly than originally anticipated (approximately $120K) and asked that the Board consider earmarking funds for the same type project for one of the District's large ponds, as he is concerned about the earthen dam at that pond, and feels a similar repair project is needed soon.

Upon a motion by Director Savarese and seconded by Director Quillman; the Board unanimously approved the changes to the draft budget for consideration and approval at the September monthly meeting.

8. Next, the Board reviewed and discussed the proposed tax rate. The Board reviewed the appraisal information from Williamson county and upon a motion by President Savarese and seconded by Director Teiber; the Board unanimously approved to propose the following tax rates: Operation and Maintenance - .2295 and .28 for Debt Service. These tax rates will be included in the notice of tax hearing, scheduled for publication in the Round Rock Leader.

9. The next item of consideration and on the Agenda was to engage McGinnis Lochridge & Kilgore LLP as General Counsel. President Savarese noted that the contract was an at-will contract, and moved that the Board approve to engage McGinnis Lochridge & Kilgore LLP as General Counsel. Director Quillman seconded the motion and upon being placed to a vote, the motion carried unanimously.

10. Next, the Board briefly reviewed the Ethics and Investment Policy. There was no action on this item and it was tabled until the September meeting.

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

    Landscape Contractor – Mr. Burns presented his report as contained in the Board packet. Mr. Burns reported on the status of the field improvement project, noting it was the center focus of the ECOsystems team. He informed the Board that the City of Round Rock and/or Williamson County crews damaged the irrigation lines at the Community center.

    General Manager – Ms. Miller presented her General Manager's Report as contained in the Board packet. She additionally reported on the District's insurance policy.

    Operations Manager – Mr. Alanis presented his report on operations in the District as contained in the Board packet. The District is still undergoing meter change outs, and he anticipates there will be as many as 105-110 replacements before the end of the budget cycle. He noted that facilities look fine and are in compliance.

Deed Restriction – Director Quillman reported that the transition from Treasure of the Hills to Planned Community Management, Inc. for deed restriction services left a 30-day lag time with no enforcement. He said observations begin next week, and violations will begin the enforcement phase at that time.

Security – Director Teiber referred to the invoice contained with the monthly bills and invoices from Williamson County, noting it has been budget for.

Environmental – Director Stempko reported that she has been researching information available from TCEQ about rain water collection.

FBMUD Community Center – Ms. Miller asked that the Board see the unattractive debris left by the contractors for the Wyoming Springs expansion, noting it is certainly a deterrent for potential community center rentals. She said that she intends on speaking with the general contractor of the project, as it appears Creekbend is being used as a dump site.

Newsletter – Items for the August newsletter include, PCMI deed enforcement, Municipality Responsibilities, Single Stream recycling, and Community Center rental for fall events.

There being no further business to come before the Board, Director Teiber moved to adjourn the meeting at 7:30 p.m. Director Quillman seconded the motion, and upon being placed to a vote, the meeting adjourned.

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Secretary
Fern Bluff MUD Board of Directors