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

September 10, 2013

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 September 10, 2013 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; Hector Alanis, Williamson County Lieutenant David; Area Manager, Kristi Hester of Severn Trent Environmental Services, Phil Haag and Jennifer Waits of McGinnis Lochridge; Community Center Manager, Cindy Alvarado; Charles Evans, of ECO Systems and several District residents.

1. Upon calling the meeting to order, Director Sabatino led the Pledge of Allegiance.

2. There were no citizen communications presented to the Board.

3. In its first item of business, the Board reviewed the consent agenda and determined there were no items subject to removal. Upon a motion by Director Teiber and seconded by Director Savarese, the Board unanimously approved the consent agenda, containing the minutes of the August regular meeting; payment of bills and invoices and transfers for operation expenses, pay requests, change orders and customer charge write offs.

4. The Board then opened a public hearing at 6:05 p.m. to discuss the 2013 proposed tax rate. No citizens commented on the proposed rate and the public hearing concluded at 6:06 p.m.

5. Next, the Board considered the Operating budget for the 2013-2014 fiscal year. Upon a motion by Director Savarese and seconded by Director Stempko, the Board unanimously approved the budget as presented.

6. The Board then considered the District tax rate for calendar year 2013. Upon a motion by Director Teiber and seconded by Director Sabatino, the Board unanimously approved a tax rate of $.2395 per $100 valuation for the purpose of Operations and Maintenance and a tax rate of $.27 per $100 valuation for the purpose of debt service, totaling tax rate of $.5095 per $100 valuation.

7. Next, the Board considered its amendment to the District's Rate Order. Ms. Miller reported on a 12.9% rate increase from the City of Round Rock. In an effort to offset such an increase to District customers, the Board duly authorized Ms. Miller, as General Manager, to remove the customer base rate charge for each account. Additionally, Round Rock Refuse increased its rate from $18.25 to $18.65 for solid waste collection.

8. The next item of business was to engage an auditor for fiscal year ending September 30, 2013. Upon a motion by President Savarese and seconded by Director Stempko; the Board unanimously approve to hire Don Allman, CPA to provide audit services.

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

Landscape Contractor – Mr. Evans presented his report in its entirety and as 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 on page 180. She asked that the Board consider removing the fountain at the community center and converting it to a patio/courtyard.

Operations Manager – Ms. Hester presented the operations report in its entirety and as contained in the Board packet on page 182.

Parks & Recreation – Mr. Haag reported on his discussions with the Williamson County District Attorney's office regarding enforcement of District park rules, specifically addressing what, if any, jurisdiction Williamson County had within the District. He reiterated his opinion that the County is authorized to enforce MUD park rules

Community Center - Director Quillman reported on the new audio video installation which should be complete by the end of the month, and Ms. Miller noted that the parking is in need of repair again

Deed Restrictions – No report.

Security - No report.

Environmental – No report.

Legal - Mr. Haag had no report in addition to the matters presented above.

Communications – No report.

The Board scheduled its next meeting for October 8, 2013. There being no further business to come before the Board, the meeting adjourned at 6:51 p.m.

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Secretary
Fern Bluff MUD Board of Directors