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

September 13, 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 September 13, 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
George Sabatino	Treasurer
Jessica Stempko	Asst. Sec./Treasurer/Parliamentarian

All Directors were present, thus constituting a quorum. Also present, were District General Manager, Janey Miller; Hector Alanis of Severn Trent, Regina Buono and Jennifer Waits of McGinnis, Lochridge & Kilgore LLP; Mark Burns of ECOSystems Landscape Services; and several District residents.

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

2. The Board then recognized Mr. Jeffrey Martin who addressed the Board requesting that they consider pond repair expenses as part of the budget process.

3. The first item of business was consideration of the consent agenda. Upon a motion by President Savarese and seconded by Director Teiber, the Board unanimously approved the consent agenda including, minutes of the August meeting, payment of and transfers for operation expenses, pay requests and change orders, customer charge write offs, and the invoice for security patrols of $4,119.30.

4. The Board then opened the public hearing to discuss the 2011 proposed tax rate. No citizens commented on the proposed rate and the public hearing concluded.

5. Next, the Board considered the Operating budget for the 2011-2012 fiscal year. President Savarese moved approval of the budget and Director Teiber seconded the motion. Upon being placed to a vote, all directors voted, "aye" and the motion carried.

6. The Board then considered the tax rate for calendar year 2011. Upon a motion by Director Teiber and seconded by Director Sabatino, the Board unanimously approved a tax rate of $0.5095 per $100 valuation.

7. The next item of business was to hire an auditor for fiscal year ending September 30, 2011. Upon a motion by Director Quillman and seconded by President Savarese; the Board unanimously approve to hire Don Allman, CPA as the district's auditor.

8. Next, the Board discussed the District's Drought Contingency Plan. The Board reviewed the existing plan and discussed further restrictions in light of the ongoing and severe drought. Upon a motion by President Savarese and seconded by Director Stempko; the Board unanimously approved to ban all smoking, outdoor cooking of any sort and any open flame of any sort in all district parks.

9. Next, the Board 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 the General Manager's Report as contained in the Board packet, reviewing the financial, parks and District report.

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

   Parks & Recreation – Director Teiber reported on the status of Cheatum and Friendly Oaks parks.

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

   Newsletter/Communications – The Board discussed options for the district newsletter, specifically the option of an electronic distribution of the newsletter only but keeping hard copies at the community center for anyone that doesn't have access to email. At that time, Jeffrey Martin addressed the Board and asked that they not discontinue hard copies of the newsletter until they've

received support from residents to do so. The Communications Committee members asked Mr. Martin to attend a meeting in which further discussion on the newsletter and its distribution would take place later in the month.

There being no further business, the Board adjourned at 7:25 p.m.

_____

Secretary, Board of Directors
Fern Bluff Municipal Utility