MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
October 12, 2010

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 October 12, 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, 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 Ecosystems, and several District residents.

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

2. The first item of business was a review of the items within the consent agenda. Board reviewed the Consent Agenda. Director Walker moved that the Board approve the Consent Agenda containing the September meeting minutes, payment of and transfers for operation expenses, and requests and change orders. Director Quillman seconded the motion, and upon being placed to a vote, the motion carried unanimously.

3. Next, the Board considered amending the district's current water and wastewater rates. The Directors reviewed the District rate structure within the current rate order. Upon a motion by Director Teiber and seconded by Director Walker; the Board unanimously approved to amend the district's water and wastewater rates.

4. The Board then reviewed the proposed Round Rock Refuse Contract. Upon a motion by Director Savarese and seconded by Director Teiber; the Board unanimously approved the contract with changes.

5. The next item of business was discussion of security cameras at Fern bluff and Olsen Meadows Parks. Ms. Miller reported that she consulted with professionals in the security camera industry for recommendations considering location, size of the parks and the times of day and night that vandalism is occurring. Upon a motion by Director Teiber and seconded by Director Walker; the Board unanimously approved to move forward with the purchase and installation of 3 security cameras.

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

   Landscape Contractor – Mr. Burns presented his report as contained in the Board packet, and discussed the status of the field improvement project. He presented the Board with two proposals; both of which were accepted.

   General Manager – Ms. Miller presented her General Manager's Report as contained in the Board packet. She reported on the flooding within the district last month, as well as the exceeded revenue from the community center. She reviewed the financial information report, noting the district did not yield as much in years past in interest revenues, as well as water sales revenues. However, despite not gaining as much revenue from water and interest; the district is still under budget by approximately $200K. Ms. Miller also reported that 94 customer accounts were not billed their wastewater average, and were billed their water use. This was a mistake on Severn Trent's billing team. Severn Trent also sent bills out late this month, as a result of postal issues.

   Operations Manager – Mr. Alanis presented his report on operations in the District as contained in the Board packet. He presented the Board with a write off in the amount of $7.50 for consideration. Upon a motion by Director Savarese and seconded by Director Stempko; the Board unanimously approved to write off this amount.

   Deed Restriction – Director Quillman presented the Board with a proposed engagement letter for Slater Kennan & Jameson, LLP for deed restriction enforcement, stating that the deed restriction committee preferred to hire this firm rather than continue with McGinnis Lochridge & Kilgore. Director Walker why the committee wanted to switch and Director Stempko stated that she and Director Quillman thought that it would be more cost effective. Director Teiber then pointed out that the hourly rate for Slater Kennan & Jameson was the same as McGinnis Lochridge & Kilgore and that he did not feel there needed to be a change. Director Quillman and Director Stempko stated that they felt the new firm would be for writing demand letters immediately upon reported violations. There was discussion regarding the protocol and whether or not demand letters are supposed to be sent upon immediate reporting. There was no action on this item.

FBMUD Community Center – Ms. Miller reported that the district will pay approximately $200 a month to lease a copier/scanner and fax machine with a charge of eight cents per page for color copies. Upon a motion by Director Quillman and seconded by Director Savarese; the Board unanimously approved and authorized the district to engage in a lease agreement for a machine for the community center with an amount not to exceed $250.00 a month.

Environmental - Director Stempko reported that residents do not have to wash food/drink containers to be included in single stream recycling.

Newsletter – Items for the November newsletter include, wastewater averaging, single stream recycling, and the November election. The Directors then discussed whether or not the MUD newsletter should announce neighborhood association business and announcements. Upon a motion by Director Savarese and seconded by Director Stempko; the Board unanimously approved to empower the newsletter committee to discuss and ultimately decide whether or not to include this information.

At 8:00 p.m. Director Teiber left the meeting.

7. The Board then continued an earlier discussion about committee assignments. The Directors reviewed a proposal for committee assignments and discussed the various changes some directors wanted. Director Walker left the meeting at 8:30 p.m. There was further discussion on preferred ways to assign members to a committee and upon a motion by Director Quillman and seconded by Director Stempko; the Board unanimously approved and agreed that the committee assignment process (whatever it ultimately becomes) is effective in January 2011. Director Stempko then moved that when the Board passes a committee assignment process, that it becomes effective in January 2011 and is in place when committee selection takes place at the January 2011 meeting. Director Quillman seconded and the motion carried.

There being no further business to come before the Board, the meeting adjourned at 9:15 p.m.

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Secretary
Fern Bluff MUD Board of Directors