MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
November 9, 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 November 9, 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; John Barganski if First Southwest Securities; Attorney, Tony Corbett; 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 ethics policy. All Directors reviewed the policy and agreed that there were no changes necessary. Upon a motion by Director Teiber and seconded by Director Quillman; the Board unanimously approved the ethics policy as written.

4. The Board then considered issuance of Fern Bluff Municipal Utility District Combination Unlimited Tax and Revenue Refunding Bonds, Series 2010. Mr. Barganski presented information related to the bond refunding and answered any

questions presented by the Board. Upon a motion by President Savarese and seconded by Director Teiber; the Board unanimously approved a Resolution Authorizing the issuance of Fern Bluff Municipal Utility District Combination Unlimited Tax and Revenue Refunding Bonds; Authorizing execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Deposit Letter and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Containing other Provisions Relating to the issuance of the Bonds and authorized payment of Attorney General Bond Review Fee.

5. The next item of business was a discussion regarding trail clean up. President Savarese stated that he and many other District residents run the trails throughout the District and would like to work with the County in the Adopt a Trail program. He added that he would like the MUD to maintain and clean out the portions of trail in need of it. Ms. Miller said she did not know if the MUD should spend tax dollars on this effort if there is property that is county property within the trail. There was no action taken on this item.

6. Next, the Board discussed the Board Committee appointment. The Directors revisited the draft policy previously presented and discussed at earlier meetings. The Directors continued discussions regarding language throughout the document and ultimately decided to remove the language that was confusing. There was no action taken on this item.

7. The Board then received an update from President Savarese regarding roads. He updated the Directors on the status of discussion with the County and the City of Round Rock on the matter.

8. The next item of business was discussion of security cameras at Fern Bluff and Olsen Meadows Parks. Ms. Miller reported on contract commitments and pricing for security cameras with Time Warner Cable. After a discussion regarding costs, and camera capabilities, the Directors took no action on this item.

9. 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.

   General Manager – Ms. Miller presented her General Manager's Report as contained in the Board packet, reviewing the financial, parks and District report. She asked that the Board consider designating the old meters pulled from homes during the meter change outs as surplus, and requested that the Board consider selling the old meters to a vendor interested in purchasing them. Upon a motion by Director Teiber and seconded by Director Quillman; the Board unanimously approved to authorize Ms. Miller to sell the old meters.

Operations Manager – Mr. Alanis presented his report on operations in the District as contained in the Board packet.

Deed Restriction – Director Quillman stated that he would like to table the hiring a consultant for deed restriction enforcement to another date.

FBMUD Community Center – Ms. Miller reported on the status of repairs made to the community center.

Newsletter – Items for the December newsletter include, wastewater averaging, holiday safety and events at the community center.

There being no further business to come before the Board, the meeting adjourned at 9:30 p.m.

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Secretary
Fern Bluff MUD Board of Directors