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

**November 9, 2011**

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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 6:06 p.m. on November 9, 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:

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| 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, Phil Haag and Jennifer Waits of McGinnis, Lochridge & Kilgore LLP; and several District residents.

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

2. President Savarese encouraged those residents that were present, to address the Board during the citizen communication portion of the meeting.

   At that time, Mr. Rich Horton addressed the Board to remark on the road resurfacing project, and questioned whether or not the City intended on correcting the problems with gravel pooling and manholes that were sealed.

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

4. The Board then discussed the Round Rock Transportation plan. President Savarese stated that he and others from the MUD Board attended a meeting with the City of Round Rock and a separate meeting with Williamson County, in which the time-frame for the Creekbend extension and extension of Wyoming Springs would take place. The Board further discussed new locations for the Fern Bluff MUD meters and other aspects of the projects. Ms. Miller answered various questions from the Board.

5. Next, the Board discussed water conservation and the District's Drought Contingency Plan. Ms. Miller reported on the status of compliance from residents in response to Stage 3 restrictions, noting the District is no longer at Stage 3 conservation measures and is presently at Stage 2.

6. The next item of business was discussion of a district vehicle. Ms. Miller asked that the Board consider the purchase of a district vehicle, as MUD employees are regularly using personal vehicles to haul brush and debris from the late 2010 rain event and flooding, as well as the damage to greenbelt areas from the extreme drought conditions. Ms. Miller agreed to research financing of such a vehicle and to present more information at a later date.

7. The Board then discussed the clean-up of the creek side property at the request of Williamson County. After a brief discussion, the Board agreed that they would assess the area after the county's initial clean-up effort and would determine what, if any, additional measures are needed.

8. The next item of business was discussion of an Illegal Dumping Policy. Ms. Miller reported on an increase in illegal dumping in the greenbelts throughout the District in the past year. She has received several complaints from residents and asked that the Board consider adopting an official policy that prohibits dumping of any kind in the green belt areas. President Savarese and Director Quillman agreed to initiate the draft of such a document and would later present it to the Board and to Mr. Haag for comments and edits.

9. Next, the Board received reports from consultants and committees.

   Landscape Contractor – Mr. Burns was not present, however his report was contained in the Board packet. Ms. Miller reported that she has been working with Brian Schmidt in coordinating seasonal change outs at the community center.

   General Manager – Ms. Miller presented the General Manager's Report as contained in the Board packet, reviewing the financial, parks and District report. She addressed fees for rental of the park pavilions and recommended the Board consider an increase from $50.00 to $100.00, as the increase in usage from non-residents is significantly high, and she feels the cost to

taxpayers for these parks should be offset by the nonresidents that use the parks and pavilions. Director Quillman said he felt $75.00 would be an appropriate fee. After further discussion, Director Teiber moved that the Board increase park and pavilion rental fees for nonresidents from $50.00 to $75.00. Director Quillman seconded the motion, and upon being placed to a vote, the motion carried unanimously.

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

Budget – At 6:50 p.m. President Savarese announced that the Board would convene in Executive Session pursuant to the Texas Open Meetings Act to discuss Agenda Item No. 10(d).

At 7:42 p.m., the Board resumed the regular meeting and President Savarese announced that no action was taken in executive session.

Upon a motion by President Savarese and seconded by Director Sabatino, the Board unanimously approved an increase in District employee annual salaries by the following amounts:

$920.00 – Custodial Services
$1,280.00 – Office Management
$7,938.00 – District General Management

The directors individually commented on the outstanding job done by all District employees.

Parks & Recreation – Director Teiber reported on the status of parks throughout the district. Director Quillman reported on an instance where a home-school football team gathered at Olsen Meadows for practice and brought industrial grade outdoor lighting. The Board then discussed the need for measures that heighten or more explicitly line out park rules. The Board conducted further discussion on the matter and agreed that this should be a future agenda item for discussion and that they would like to memorialize or codify rules that address park rules and regulations.

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

Roads – The Board again discussed the resurfacing project, and confirmed that they have received the response from the City of Round Rock per the District's Open Records Request.

Community Center – Ms. Miller asked that the Board consider how the district should accommodate organizations like the Girls Scouts, neighborhood

organizations, and “service in kind” organizations, etc. The Board further discussed room rental fees for these organizations and agreed to address the issue again at a later date.

Engineer – Ms. Miller reported that CMA Engineering is conducting a survey regarding the right of way easements as preliminary work for the assessment of where to relocate the Brightwater meter.

Attorney – Mr. Haag distributed the district’s copy of his legislative report.

Communications/Newsletter – Director Quillman reported that there continues to be small problems with the district’s web site, however the board packet materials were posted online earlier that day.

There being no further business, the Board adjourned at 8:26 p.m.

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Secretary, Board of Directors
Fern Bluff Municipal Utility