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

December 14, 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 December 14, 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, with the exception of President Savarese; thus constituting a quorum. Also present, were District General Manager, Janey Miller; Hector Alanis of Severn Trent, Brian Schmidt of ECO Systems; Community Center Manager, Cindi Alvarado; Phil Haag and Jennifer Waits of McGinnis, Lochridge & Kilgore LLP; and several District residents.

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

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

3. The Board then discussed the date for the 2012 Directors election. Mr. Haag reported that Williamson County will provide election services to the MUD whether the Board conducts its election in May of 2012 or November 2012. The MUD is slated to conduct its election in May, but can move the election to November should the Board choose to do so. The Directors briefly discussed the matter and agreed that the Fern Bluff MUD Directors election will be held in May as in years past.

4. Next, the Board discussed adoption and implementation of a district document retention policy. Ms. Miller stated the District currently has no policy in place, and asked the Board to consider adoption of one, as to purge voluminous files that the district is not required to maintain for any specific amount of time pursuant to state or federal laws. The Board agreed that such a policy is a good idea and asked that Mr. Haag and Ms. Waits circulate a draft policy for future consideration.

5. The Board then discussed the District Water Conservation Plan and implementation of the City of Round Rock's Stage 2-B Water Restrictions. Ms. Waits circulated a Resolution entitled,

ORDER RE-ESTABLISHING A DROUGHT CONTINGENCY AND WATER EMERGENCY PLAN; PROVIDING FOR SEVERABILITY; ADOPTION OF MANDATORY WATE RUSE RESTRICTIONS DECLARED DBY THE CITY OF ROUND ROCK; AND ESTABLISHING AN EFFECTIVE DATE

Upon a motion by Director Sabatino and seconded by Director Quillman, the Board unanimously approved the Resolution, a copy of which is attached hereto as Attachment "A."

6. The Board tabled Agenda Item No. 10 "Purchase of District Vehicle" and there was no action taken.

7. The Board also tabled Agenda Item no. 11 "Clean up of creek-side property" and there was no action taken.

8. The next item of business was discussion of the district's illegal dumping policy. Ms. Miller reported that she has looked into the issue further, and informed the Board that there has been a significant increase in dumping at the end of Brightwater. The City of Round Rock vehicles that have been in the district lately have been working in the District have been jumping the curb and driving in greenbelt property. She recommended that the Board restrict access to this area as to prevent dumping.

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

   Landscape Contractor – Brian Schmidt presented his report 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 report, and informing the Board that Severn Trent is now accepting MasterCard and Discovery.

She added that the MUD has the option to establish a payment account for residents to pay their bill; however the MUD would be responsible for the fees associated with each payment transaction.

Operations Manager – Mr. Alanis presented his report in its entirety and as contained in the Board packet. He reported that Severn Trent continues to replace meters throughout the district, thus affecting the water accountability reports. Additionally, Mr. Alanis stated that Severn Trent is conducting upgrades to the billing system and it is likely that they will be able to offer billing payment options for residents in the future. As more information becomes available about the new billing system, Mr. Alanis will report to the Board.

Parks & Recreation – Director Teiber had no report from the parks and recreation committee.

Deed Restriction – Director Quillman reported on the status of enforcement throughout the District, stating that there is currently one violation that would be sent a letter from legal regarding a dumpster on the property.

Roads – Ms. Miller reported that the committee had no major updates, other than the contractor responsible for sealing the sewer lids during the road resurfacing project has been released from responsibility. She said that she would pursue the issue and look into it further.

Engineer – Ms. Miller reported that CMA Engineering is working up a proposal for relocation of a meter.

Attorney – Mr. Haag had no report in addition to the matters presented above.

Communications/Newsletter – Director Quillman verified that emails were received by Board members.

There being no further business, the Board adjourned at 8:15 p.m.

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Secretary, Board of Directors
Fern Bluff Municipal Utility