

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

**July 15, 2008**

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 July 15, 2008, 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.

1. The roll was called of the following members of the Board of Directors:

Janey Miller	President
Jeff Bradley	Vice President
Joseph Teiber	Secretary
Patrick Savarese	Assistant Secretary/Treasurer
Farrell Walker	Treasurer

All Directors except for Director Bradley and Director Savarese were present, thus constituting a quorum. Also in attendance was the District's General Manager, Mike Morin of Southwest Water Co.; Phil Haag of Winstead PC, Hector Alanis of MUD Management Co., FBMUD Community Center Manager, Cindy Alvarado and several District residents.

2. Upon calling the meeting to order, President Miller asked that Director Teiber lead the Pledge of Allegiance. Next, President Miller invited citizens, to participate in citizen communications on non-agenda and agenda items.

3. The first item of business on the Agenda, was approval of the items on the Consent Agenda, including the May 13, 2008 and June 17, 2008 meeting minutes. Upon a motion by Director Walker and seconded by Director Teiber, the Board approved the Minutes as presented. Upon review of the District's bills and invoices, President Miller referred to the bills from AT&T, and noted that the packets do not include the entire bill, as some pages have been removed. She specifically referred to pages 235 and 236 of the Board packet and inquired about the separate phone lines the District is being charged for. President Miller said that she contacted AT&T to look into charges for "voicemail professionals" and was informed that the line was not that of the District's and was actually a private "800" line for someone that was not an employee of the District or SWWC. After discussing the issue further, Mr. Morin assured the Board that he would contact AT&T and find out how to remedy the situation. Upon a motion by President Miller and seconded by Director Teiber, the Board unanimously approved payment of the bills and invoices with a condition that Mr. Morin seek reimbursement to the District by AT&T. Next, the Board addressed it's invoice with Gray-Jansing engineers. President Miller reminded the Board that they have discussed the matters

lying with the invoice over the course of the last few months, and upon a motion by Director Teiber and seconded by Director Walker, the Board unanimously approved payment to Gray-Jansing. Finally, the Board approved payment for legal services to Arnold & Placek P.C. for legal services.

4. The next item of business was for the Board to appoint its officers. There was no action on this item, and it was moved to the August Agenda.

5. Next, the Board addressed its proposed agreement with the Oak Brook HOA for the maintenance of the Oak Brook ponds and fountains. Director Teiber informed the Board that he has communicated with the HOA since the last District Board meeting, but has not received a response to the written proposed agreement. At that time, the Directors discussed that the proposed agreement was generated by discussions between the HOA and the MUD, and in an effort to preserve the maintenance of the ponds, the Board would authorize Mr. Haag to submit a letter of intent to assume the agreed upon responsibilities.

6. The next item of business on the Agenda was a Board discussion regarding the District survey. President Miller noted that the goal of the survey is to reach out to the Fern Bluff MUD community and identify the wants and needs of the MUD residents. At that time, she recognized Mr. Hector Alanis, who presented the survey to the Directors and answered questions regarding its distribution. After discussing the importance of making the survey available to all residents, the Board unanimously approved to post signs alerting residents of the survey throughout the District, distribute bill flyers reminding residents of the survey, post a link to the survey on the District's website, and notify residents that paper copies are available at the Community Center.

7. Next, the Board addressed the Creek Bend Extension Right of Way and the Board's intent to hire a road consultant. President Miller recognized Mr. John Taylor who wanted to present his opposition to the Creek Bend Extension and support of the District's hiring a professional consultant to determine the impact that the extension would have on the Fern Bluff MUD community and traffic. After answering questions from residents, Mr. Haag reported that he received a proposal from a consultant and with the Board's authorization, would hire them to evaluate the Creek Bend Extension matter on behalf of the Fern Bluff MUD. After a brief discussion, the Board authorized Mr. Haag to hire the road consultant, with a condition that the Board receive its first preliminary assessment on or before September 1, 2008.

8. The next item on the Agenda was the Board's consideration of its contract with ECO Resources and requested assignment to Southwest Water Company. There was no action on this item, and it was moved to the August Agenda.

At 7:24 p.m., President Miller announced that the Board would convene in Executive Session, pursuant to Section 551 of the Texas Open Meetings Act, to receive legal advice from the District's attorney regarding Agenda Item 11; District Operations and Management.

At 8:15 p.m., President Miller announced that the Board would re-convene in regular session, and that the Board took no actions during Executive Session.

9. The next item on the Agenda was the Municipal Separate Sewer System (MS4) Permit. There was no action on this item, and it was moved to the August Agenda.

10. The next item of business was the District's restrictive Covenant enforcement actions. There was no action on this item, and it was moved to the August Agenda.

11. Next, the Board received reports from its Committees and Consultants.

Parks & Recreation Committee - Director Teiber provided the Board with an update on the progress of the additions to Veteran's Park and informed the Directors that the Battlecross monument is set for installation. Additionally, he moved that the Board approve a donation of \$3,200.00 for costs associated with extending the sidewalk currently in Veteran's Park to connect with the new sidewalk at the Retirement Center. President Miller seconded the motion, and upon being placed to a vote, the motion carried. Next, Director Teiber informed the Board that he spoke with a company that services swimming pools regarding the District's need for maintenance of the Community Center fountain and pond. He presented the Board with a proposal of services in the amount of \$150.00 to maintain the fountain, and moved that the Board approve and accept the proposal. President Miller seconded the motion, and upon being placed to a vote, the motion carried.

Security Committee – There was no report by the Security Committee.

Community Center Committee – President Miller noted that the Community Center was in need of repairs to the water heater and water softener as well as painting of the parking areas, and repairs to the electrical system to the fountain. Upon a motion by Director Teiber, and seconded by Director Walker, the Board approved repair of these items.

Budget Committee – There was no report from the Budget Committee.

General Manager's Report – Mr. Morin presented his General Manager's Report in its entirety, as presented in the Board packet.

Engineer's Report – Mr. Morin informed the Board that he contacted CMA Engineering, to assess an issue of poor drainage in the parking lot of the Fern Bluff Community Center. The district's engineer, Robby Callegari was not present and had no report in addition to the matters above

Attorney's Report – Mr. Haag had no report in addition to the items above.

14. The next item of business for the Board was to identify articles for the District's monthly newsletter. The Board approved a full page water bill insert, notifying residents of the survey, in lieu of a monthly newsletter for August.

15. There being no further business to come before the Board, and upon a motion by Director Teiber, and seconded by Director Walker, the meeting adjourned at 9:30 p.m.

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Secretary, Board of Directors  
Fern Bluff Municipal Utility District

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Date