

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
FERN BLUFF MUNICIPAL UTILITY DISTRICT
June 9, 2009**

THE STATE OF TEXAS §
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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 June 9, 2009 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:

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

All Directors were present with the exception of Director Bradley, thus constituting a quorum. Also in attendance were District General Manager, Janey Miller, Hector Alanis and Bill Fry of Severn Trent Environmental Services, Community Center Manager, Cindi AlvaradoJohn Barganski of First Southwest, and several District residents.

2. Upon calling the meeting to order, Director Teiber led the Pledge of Allegiance. Immediately thereafter, Director Savarese invited citizens to participate in citizen communications on non-agenda and agenda items.

3. The first item of business was interview of Director Candidates. Messrs. Rich Bethelson, Chris Blaicher and Dave Quillman were all asked about their interest in the MUD Board, their experience in any duties similar to serving on a board of directors, and their availability to serve on the Fern Bluff MUD Board. Each answered the questions presented by the Directors.

At 6:36 p.m. Director Savarese stated that the Board would go into Executive Session pursuant to the Texas Open meetings Act, Section 551, to discuss the candidate applications.

At 7:15 p.m. Director Savarese announced that the Board would convene in regular session and that no action was taken during Executive session.

4. Next, the Board discussed appointment of a new director. Upon a motion by Director Teiber, and seconded by Director Walker, the Board unanimously approved the appointment of Mr. Quillman as the new Director to the MUD Board.

5. The next item of business was election of officers. Upon a motion by Director Walker, and seconded by Director Teiber the Board elected Patrick Savarese as President, Jeff Bradley as Vice President, Joe Teiber as Secretary, Farrell Walker as Treasurer, and Dave Quillman as Assistant Secretary/Assistant Treasurer.

6. Next, Scott Arnold of Arnold & Placek, P.C. offered a brief status report of the ongoing dispute regarding the Creekbend extension. He noted that it is an ongoing process and that on July 21, 2009; he will represent the District in a hearing, as well as conduct depositions throughout the month of July.

7. The next item of business was approval of the items on the consent agenda. Upon a motion by Director Teiber, and seconded by Director Walker; the Board unanimously approved the items contained on the consent agenda, including minutes from the May meeting, monthly bills and invoices, write-offs, pay requests and change orders as well as payment for legal services from Arnold & Placek P.C. Additionally, upon a motion by Director Teiber and seconded by Director Walker; the Board unanimously approved check no. 6043 in the amount not to exceed \$33,627.00 to LCRA.

8. Next, the Board discussed District Financial Operations. Upon a motion by Director Walker and seconded by Director Teiber; the Board unanimously approved to authorize Severn Trent to perform EFT transactions to pay certain time-sensitive District bills and expenses; authorization of appropriate signatories on depository accounts and to waive any late fees incurred on the May 2009 billing cycle.

9. The next item of business was discussion of the lot at 9011 O'Connor. Ms. Miller reported that the Brushy Creek MUD is awaiting a bid from a contractor to clean the lot, and until that is received, the project is at a stand-still.

10. Next, the Board discussed corrections to the District's Rate Order. Upon a motion by Director Walker, and seconded by Director Teiber; the Board unanimously approved the revisions as presented.

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

Landscape Consultant – Mr. Mark Burns, of ECO Systems presented his report in its entirety and addressed the landscaping issues throughout the District. As part of his report, Mr. Burns distributed a proposal to provide all materials, labor and supervision necessary to install sod and irrigation at Veterans Park for \$1,248.95. Upon a motion

by Director Teiber, and seconded by Director Walker; the Board unanimously approved the proposal as presented.

General Manager's Report – Ms. Miller presented her report in its entirety, and as contained in the Board packet. She also presented the Board with a general description of tasks and items she is managing as the Interim General Manager to the District. She presented the board with a proposal of construction services to address the items in disrepair in the community center. Upon further discussion and Board review, Director Teiber moved that the Board approve the proposal from Bliss Construction LLC as presented. Director Walker seconded the motion, and upon being placed to a vote, all Directors voted, “aye.”

Budget Committee – As part of budget discussions, Ms. Miller asked that John Barganski, of First Southwest Co. present the Board with information regarding the District's intent to conduct a bond refund for 2009. Mr. Barganski provided a brief description of the work he and the District's Financial Advisor, Julie Peak have performed thus far, as well as information regarding the sale of the LCRA wastewater system and its financial impacts on the MUD. Ms. Miller said that she has been in discussions with the Brushy Creek MUD, and feels that a workshop to discuss options available to subregional customers may be a good idea. Director Walker said that he would like a presentation by the attorneys and engineers regarding the LCRA contract and sale of the system.

12. Next, the Board identified articles for the District's monthly newsletter. Topics include an announcement of Mr. Quillman's appointment, the status of the District's management transition, Independence Day, and email sign up.

13. There being no further business to come before the Board and upon a motion by Director Teiber; seconded by Director Savarese, the meeting adjourned at 8:44 p.m.

Secretary
Fern Bluff MUD Board of Directors