

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
FERN BLUFF MUNICIPAL UTILITY DISTRICT
July 14, 2009

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 14, 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:

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

All Directors were present thus constituting a quorum. Also present, were Interim District Manager, Janey Miller, Hector Alanis of Severn Trent Environmental Services, John Barganski of First Southwest Company, Phil Haag of McGinnis, Lochridge & Kilgore, LLP, Scott Arnold of Arnold & Placek PC, and several District residents.

1. Upon calling the meeting to order, President Savarese recognized Mr. Richard Horton from the Stone Canyon HOA and Mr. Glen Woley. Mr. Woley requested the Board to consider refunding his \$150.00 deposit, as he has continued to pay his bill on time. Both Mr. Horton and Mr. Woley's matters were referred to committee.

2. Next, the Board reviewed items presented on the July consent agenda including, minutes from the June 9th and June 25 meetings, the payment of and transfers for operation expenses and pay requests and change orders. Upon a motion by Director Teiber and seconded by Director Walker; the Board unanimously approved the items on the consent agenda.

3. Next, Ms. Miller presented her General Manager's Report in its entirety, and as contained in the Board packet. She addressed the community center parking area, and recommended that the Board authorize installation of barriers. She said that she felt there were potential problems with parking lot overflow during community center event users and those that use to parking lot to access Fern Bluff Elementary. After further discussion, Directors Bradley and Quillman agreed to work with Ms. Miller on drafting a letter to the school and to residents regarding the matter. Director Bradley moved that upon a recommendation from the District's attorney, that the Board approve installation

of parking barriers at the community center. Director Quillman seconded the motion, and upon being placed to a vote, all Directors voted, "aye."

Next, Ms. Miller informed the Board that there has been extensive damage to the Fern Bluff park due to vandalism. The Board referred this matter to the parks committee for further ideas.

Finally, Ms. Miller provided an update on the District's wastewater service contract with LCRA, stating that the District has filed a formal protest letter to LCRA.

4. The next item of business was a report from the parks and recreation committee. Director Teiber reported that he and Director Walker toured the Oak Brook Meadows and was working with ECO Systems on a budget and trade-off proposal in place of mowing. He said that he will try to get an email out to the neighborhood as soon as he receives the proposal from ECO Systems.

5. Next, the Board received a report from the deed restriction committee. Director Savarese said that Treasure of the Hills has been lenient on those with dead grass in light of the drought this summer. Ms. Miller said that she has noticed many large trucks parking throughout the District and in violation of restrictive covenants.

6. The next item of business was Board discussion regarding the Creekbend extension and disputes related thereto. Upon a motion by Director Quillman and seconded by Director Bradley; the Board unanimously approved writing a letter to the City of Round Rock requesting further information.

7. Next, the Board discussed recent notification from the City of Round Rock regarding an increase in the wholesale water rate. After further discussion, the Board duly authorized hiring Rimrock as the District's rate consultant.

8. The next item of business was the status of the District's bond refunding project. Upon a motion by Director Quillman and seconded by Director Savarese; the Board unanimously approved hiring Winstead P.C. as the District's Bond Counsel.

9. Next, the Board discussed a job description and the solicitation for the District's General Manager position. After further discussion, the Board agreed to send out notice of the opening in the monthly newsletter, to post same on the web site, and to run the ad on Craigslist.

Director Walker left the meeting at 9:00 p.m.

10. The next item of business was discussion regarding the Oak Brook Neighborhood properties subject to a transfer of ownership from the HOA to the MUD. Upon a motion by Director Teiber and seconded by Director Quillman; the Board unanimously approved to accept ownership of the property.

Director Bradley left the meeting at 9: 29 p.m.

11. The Board then discussed future agenda items including the Rate Order, Bond Resolution, and Committee appointments.

There being no further business to come before the Board, the meeting adjourned at 9:35 p.m.

Secretary
Fern Bluff MUD Board of Directors