

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE  
FERN BLUFF MUNICIPAL UTILITY DISTRICT  
September 3, 2009

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THE STATE OF TEXAS  
WILLIAMSON COUNTY

The Board of Directors of the Fern Bluff Municipal Utility District convened in a special meeting, open to the public, at 6:00 p.m. on September 3, 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; Phil Haag of McGinnis Lochridge & Kilgore LLP and several residents.

1. Upon calling the meeting to order, President Savarese asked Director Teiber to lead the Pledge of Allegiance. Immediately thereafter, the Board recognized those signed in for citizen communications. Ms. Kim Oakley addressed the Board with a complaint that there were no financials posted to the District's web site since March. She also said that the minutes for May, June and July were not accessible. She said that web site appears to have them loaded, but that the page says, "Page not found." Next, Ms. Joanie Brown thanked Cindi Alvarado for her hard work at the Community Center, and for setting up all the different classes. Next, Ms. Jessica Stempko, the Vice President of the Stone Canyon HOA addressed the Board. She said that the HOA has been tasked with oversight of the Wyoming Springs expansion, and that initially residents were opposed to the widening, and remain the adamantly opposed to it. She said that she wrote a letter to the City of Round Rock and wants the MUD Board to present it to the city of Round Rock, as she feels the efforts of the HOA have been ignored by the City. She then read the letter out loud to the Board and those present.

2. The first item of business was to award the bid for the District's sewer inspection. Upon a motion by Director Bradley; and seconded by Director Walker, the Board unanimously approved to award the bid to National Works, Inc.; to allow National Works, Inc. to leave trucks on the Fern Bluff property during the project; to take advantage of the offered 5% discount to the District if payment for inspection services is made within 7 days of the previous week's worth of work and upon invoicing; and to

transfer funds from the operating account to manager's account as needed to make these payments.

3. Next, the Board discussed and reviewed the 2010 District budget. Ms. Miller reviewed what items reflected an increase in rates to the District customers, as pass-through fees that were increased by the City of Round Rock and Round Rock Refuse, and said that the District's appraised value decreased this year. She said that the Board did not have to increase taxes as a result though, and that the budget had enough funds allocated to operate and maintain the District with the same tax rate as last year. Director Teiber noted that additional security costs are pending, as the County Commissioners are still negotiating a proposal for increased fees. He said the District can expect the cost to increase approximately \$10.00 an hour, based on increase costs of the patrol vehicle, and a raise for the Sheriff's deputies. Additionally, Director Teiber noted that Fern bluff MUD is currently one of the lowest paying MUDs in the county. The MUD is looking to go from paying the current rate of \$2,600.00 a month to \$3,600.00 a month.

4. The next item of business was Board discussion regarding the District's Drought Contingency Plan. The Directors discussed the current Drought Contingency Plan, and that as a customer of the City of Round Rock, the District is required to abide by the City's Drought Contingency Plan. After extensive discussion comparing the two plans, and concerns of individual directors regarding enforcement of both plans, Director Teiber moved that the Board adopt the City of Round Rock Drought Contingency Plan for at least the next 30 days and to remove the paragraph of the District's current Drought Contingency Plan stating that a District representative or local law enforcement may enter a home and turn off water if someone is in violation of the current plan. Director Savarese moved that the Board adopt the current violation recommendations with revised language subsequent to the MUD Drought Contingency Plan, stating that after the fourth violation, a violator will be referred to the Board of Directors, who will then take appropriate action. Director Teiber seconded the motion, and upon being placed to a vote, the motion carried unanimously.

5. Next, the following residents spoke on the issue of the community center security gates:

Ashima \_\_\_\_\_

Wendy Catrell

Jessica Stempko

Ellen McDonald

Kim Oakley

Director Bradley said that he is sympathetic to some of the issues lying with the security gate issue, but that resident complaints need to be directed at the correct entity. He said that he feels that this is a school district and county matter and not strictly a MUD matter.

At 7:26 p.m., President Savarese announced that the Board would convene in Executive Session pursuant to Section 551 of the Texas Open Meetings Act to discuss

Item numbers 8 and 10, including personnel matters of the District and for legal advice.

8:26 p.m. President Savarese announced that the Board would convene in regular session, and that no action was taken during Executive Session.

6. At that time, President Savarese said that the Board would discuss Agenda Item No. 10. Upon a motion by Director Bradley and seconded by President Savarese, the Board unanimously approved to hire Ms. Janey Miller, the District's current Interim General Manager, as the permanent General Manager and as a District employee. Director Teiber noted that Ms. Miller's position is an at-will position.

7. Next, President Savarese moved to allow temporary access to the Community Center parking lot, pending an agreement and contingent upon the School District's willingness to enter into an agreement with the MUD to create and help assist in an immediate solution, particularly regarding construction of a bypass drive and parking lot from Brightwater to Wyoming Springs with notice of this change to be given out by the MUD and school upon agreed upon guidelines. Director Teiber seconded the motion, and upon being placed to a vote, the motion carried.

8. Upon a motion by Director Teiber; and seconded by Director Quillman, the meeting adjourned at 8:42 p.m.

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Secretary  
Fern Bluff MUD Board of Directors