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

May 12, 2015

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 6:04 p.m. on May 12, 2015 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	Assistant Secretary/Treasurer

All Directors were present, thus constituting a quorum. Also present were District General Manager, Janey Miller; Operations Manager, Hector Alanis; Phil Haag and Suzanne McCalla of McGinnis Lochridge; and Cindi Alvarado, Community Center Manager.

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

2. There were no citizen communications presented.

3. The first item of business was approval of the monthly consent agenda. Upon a motion duly made by Director Teiber and seconded by Director Savarese, the Board voted unanimously to approve the Consent Agenda containing the minutes from the April 14, 2015 Board meeting, payment of bills and invoices, payment of transfers for operation expenses, pay requests, change orders and customer charge write-offs.

4. The Board then received reports from District consultants and committees.

   Landscape Contractor – Ms. Miller presented a proposal from Eco Systems Landscape Services ("ECO") for the top dressing and aeration of the fields at Olsen Meadows Park (the "Field Work") for a total cost to the District of $17,304.00. She noted that, if approved, the Field Work would be scheduled for the early part of June. After consideration, upon a motion duly made by Director Savarese and seconded by Director Teiber, the Board voted unanimously to approve the proposal from ECO as presented. A copy of the proposal is attached hereto and shall be considered a part of these minutes.

General Manager – Next, Ms. Miller reviewed with the Board the use of electronic meeting packets. Ms. Miller stated that she had sent out complete packets to the Board via electronic mail, which packets included all of the backup invoices for the financial report included in the packet. She added that mini-packets, excluding the backup invoices, were distributed to the Board for review during the meeting. Ms. Miller noted that the electronic distribution of the complete packets reduced the amount of paper used by the District. Ms. Miller also reported that her office was researching other options to distribute the packets electronically, including Google Docs, a free, web-based application in which documents and spreadsheets can be created, edited, and stored online. Director Stempko questioned the security of such a system, and Ms. Miller emphasized that procedures would be implemented in order to provide the highest level of security for the District. The Board agreed that distributing the complete packets via electronic means was a prudent option at this time.

Ms. Miller reported that the construction of the Community Center continued to be in the design phase.

At this time, Mr. Haag arrived at the meeting.

Continuing her report, Ms. Miller discussed with the Board the proposed renovation and reuse of the floor space of the District's elevated storage tank (the "EST") for use as a temporary emergency office space during the construction of the improvements to the Community Center. She explained that the floor space beneath the EST had 2,290 square feet of room and was located behind a chain link fence. She added that the EST location also had phone, internet, and electrical services available.

Mr. Alanis then distributed and reviewed with the Board a drawing of the EST, depicting the proposed storage area. A copy of the drawing presented by Mr. Alanis is attached to these minutes as an exhibit. He explained that he had contacted The Home Depot regarding the construction of a 14-foot by 24-foot office building. He explained that the building would house three work spaces and that, during the expansion of the Community Center, the majority of the District's business could be conducted out of the temporary office building. He added that with the recommended improvements, the area would also be used for District operations and storage in the future.

The Board then discussed at length the issues of climate control, bathroom facilities, possible permitting requirements, maintenance concerns, and price options regarding the proposed renovations to the floor space beneath the EST. After further discussion, the Board directed the General Manager to prepare a detailed proposal on the costs to renovate the EST as discussed for presentation to the Board at the District's June 9, 2015, Board of Directors meeting.

Operations Report. Mr. Alanis next reviewed the District's water loss report. He noted that the District's water accountability for the month of April was at 109% of water pumped versus water distributed. He recalled that the District's water accountability for March was 92%, and he stated that the fluctuations in water accountability were likely due to a software error. Mr. Alanis added that he continued to actively seek leaks and replace water meters as needed. Director Quillman questioned the listing in the Operations Report for September 2014 of 1,902 connections. Ms. Miller responded that when a resident moves out during the middle of the month and a second resident moves in on the same day, this can often be counted as two connections. She added that her office was continuing to learn about the District's new software program and that the data would be updated as needed.

Ms. Miller next reported that the District had received its preliminary assessed valuations from the Williamson County Appraisal District. She noted that the District's values had increased by approximately 10% over last year's assessed valuations. She added that $46,173,553 of the District's assessed valuations were under protests by taxpayers, and that the District's certified valuations would likely increase in the future. Copies of the reports detailing the District's assessed values for 2014 and 2015 are attached hereto and shall be considered exhibits to these minutes.

Budget Committee. There was no report.

Roads Committee. Ms. Miller reported that the City of Round Rock had begun the process of relocating the utility lines in connection with the Creek Bend extension project.

Parks and Recreation Committee. Director Teiber reported that he had met with Director Sabatino regarding improvements to the play equipment at Olson Meadows and Veterans Park located in the District. He stated that the equipment had not been updated for several years, and he reviewed with the Board the following proposed improvements:

- Olson Park – The addition of two six-foot metal tables, two six-foot metal benches, two preschool tables, three coiled Rock N Rides, and the relocation of the park barriers all at a total cost to the District of $12,601.00
- Veterans Park – The addition of one preschool table, one six-foot metal bench, and the installation of a new train all at a total cost to the District of $4,791.00

After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Sabatino, the Board voted unanimously to approve the improvements as presented in an amount not to exceed $17,000.00. A copy of

the proposal is attached hereto and shall be considered an exhibit to these minutes.

Deed Restriction Committee. Ms. Miller then presented for the Board's review a letter regarding the location of trash cans in the District to be sent to District residents. After discussion, the Board approved distribution of the letter to residents who had received deed violations. A copy of the letter is attached as an exhibit to these minutes.

Ms. Miller noted that the refrigerator located in the front of the garage of a District resident was still in place. She stated that her office was unable to locate the owner of the home. Ms. Miller added that she would continue to try and locate the owner of the residence.

Ms. Miller next reported that low hanging limbs were obstructing the road in the area of Mount Shasta and Columbia Falls in the District. She asked for the Board's authorization to tag the door of the resident where the trees were located, requesting that the tree limbs be removed. Mr. Haag noted that Williamson County (the "County") may be responsible for trimming the trees overhanging the street. After discussion, the Board directed the General Manager to tag the door of the homeowner as discussed above and to notify the County about the tree limbs.

Security Committee. Mr. Haag reported that he had discussed with the County Attorney the District's request that the Williamson County Sheriff's Office enforce the ban on fishing in the District's ponds. Mr. Haag added that he had not received a response from the County Attorney regarding the District's request.

Environmental Committee. There was no report.

Engineer. There was no report.

Attorney. Mr. Haag reported that he continued to monitor water district-related legislation.

Communications. There was no report.

There being no further business to come before the Board, the next meeting was scheduled for June 9, 2015. The meeting adjourned at 7:07 p.m.

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Secretary
Fern Bluff MUD Board of Directors

Attachments to the Minutes of the
Fern Bluff Municipal Utility District
May 12, 2015 Board of Directors Meeting

1. Proposal from Ecosystems Landscape Services;
2. Drawing of the proposed renovation of the District's Elevated Storage Tank;
3. 2014 and 2015 Assessed Valuations from the Williamson County Appraisal District;
4. Proposal for the renovation of Olson Meadows Park and Veterans Park; and
5. Letter to residents regarding the location of trash cans.