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

November 10, 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 6:00 p.m. on November 10, 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; Charles Evans of ECO Systems Landscaping Services ("ECO"); Lieutenant James David with the Williamson County Sheriff's Office (the "Sheriff's Office"); and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

President Savarese called the meeting to order, after which, Director Teiber led those present in the Pledge of Allegiance.

President Savarese noted that there were no residents of the District present who wished to address the Board.

The next item of business was approval of the monthly consent agenda. After a brief discussion, 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 September 8, 2015, Board meeting, as written; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. The District's financial information is included in the Board Packet, a copy of which is attached hereto and shall be considered an exhibit to these minutes.

The Board then received reports from District consultants and committees. Copies of the reports are included in the Board Packet, which packet is attached as an exhibit hereto.

Landscape Contractor: Mr. Evans reported that irrigation in the District had been reduced by 70% due to the recent changes in the weather. He continued that ECO had completed the fall fertilization, pre-emergence application, and mulching of the flowers at the Community Center as well as at the District's parks. Mr. Evans stated that ECO would begin trimming the trees in the District after the first freeze. Mr. Evans then presented a proposal to install certified playscape mulch in the District's parks at a total cost to the District of $25,071.18. After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Savarese, the Board voted unanimously to approve the proposal. A copy of the proposal is included in the Board Packet. Ms. Miller noted that ants were reported in the mulch at several of the parks in the District, and Mr. Evans responded that ECO would put out non-toxic ant bait to resolve the issue.

General Manager: Ms. Miller next discussed with the Board the Lower Colorado River Authority's (the "LCRA") plan to install electric transmission power lines along certain routes throughout the local area. She distributed for the Board's review informational material handed out by the LCRA at a recent LCRA Open House event, a copy of which is attached hereto. She explained that the LCRA was considering several routes through the District and was in the process of studying the routes and the potential effect of each route on affected landowners. She pointed out that the District had not been notified by the LCRA about the plan to install electrical transmission lines in the District. Ms. Miller told the Board that the District had received several calls from concerned residents questioning what action, if any, the District planned to take. Director Savarese stated that one of the suggested routes would have a significant impact on homeowners and trail lovers in the District. After a lengthy discussion, Director Savarese suggested that the Roads Committee work with the District's Attorney to compose a letter to the LCRA stating the District's opposition to any route that went through the District's parks, and the Board concurred.

Continuing her report, Ms. Miller stated that the District had received a designation of "Superior Water System" from the Texas Commission on Environmental Quality (the "Commission"). She explained that Mr. Alanis had worked diligently on the District's operations, facilities, testing, and reporting in order to meet the Commission's stringent requirements to become a "Superior Water System." She added that this was the highest rating available to a district and that the District would be allowed to install signs throughout the District notifying District's residents and visitors of the District's superior rating. Ms. Miller stated that the Commission required that an agreement with the District be in place prior to the installation of the signs, and she reviewed the proposed agreement with the Board. After consideration, upon a motion duly made by Director Teiber and seconded by Director Savarese, the Board voted unanimously to authorize Director Savarese to execute the agreement with the Commission for the installation of Superior Water System signs throughout the District. A copy of the letter from the Commission regarding the District's designation is attached hereto and shall be considered an exhibit to these minutes. The Board expressed its appreciation to Mr. Alanis for his hard work and dedication in assisting the District in achieving this honor.

Ms. Miller then updated the Board on the status of the renovations at the District's Community Center. She reviewed with the Board a proposal from Fazzone Construction Co. ("Fazzone") for the proposed renovations, a copy of which is attached hereto. Ms. Miller explained that the amounts listed for removal of carpet and wood from floors would be reduced due to the fact that there were no wood floors to remove. She stated that Fazzone was recommending the installation of awnings over the two back doors along the side of the Community Center to shield the doors from rain and prevent water from entering the building. She also pointed out that the roof of the Community Center leaked and that she would be obtaining bids on the repair of the roof in the near future. Ms. Miller told the Board that there were no bookings at the Community Center in January, which time would be optimal for construction to begin at the Community Center. The Board discussed the need to obtain additional bids for the renovations to the Community Center. After discussion and a motion duly made by Director Stempko and seconded by Director Savarese, the Board voted to (1) authorize the District's General Manager to obtain additional bids for the renovations at the Community Center with the goal of beginning the construction in January and (2) authorize Director Savarese and the District's General Manager to sign any documents necessary to begin the renovations at the Community Center. The motion passed with Directors Savarese, Stempko, Sabatino, and Teiber voting in favor, and Director Quillman abstaining from the vote.

Ms. Miller then reviewed with the Board a letter from Lisa Dworaczyk of Sheets * Crossfield, P.C., attorney for Williamson County (the "County"), regarding easement acquisition, design, and construction of the proposed Hairy Man Road project. A copy of the letter is included in the Board Packet. Ms. Miller explained that the County was requesting the District's permission to allow the County's engineers to access the District's property to perform tasks necessary for the completion of the project. After consideration, upon a motion duly made by Director Savarese and seconded by Director Sabatino, the Board voted unanimously to approve the County's Right of Entry for the Hairy Man Road project as requested.

Security Committee. Director Teiber then introduced Lieutenant David to the Board, and he explained that Lieutenant David was present to answer any questions regarding the proposed Independent Contractor Agreement for Off-Duty Security and Patrol Services (the "Agreement"). Director Teiber reviewed the proposed Agreement with the Board. He noted the changes from previous agreements, including the requirement that the Deputy patrolling the District will take a trip through the District's neighborhoods during each "tour of duty." Lieutenant David then answered questions from the Board regarding the Deputies responsibilities while patrolling the District. He emphasized that flexibility was built into the Agreement and that the he would work with the Security Committee to ensure the most effective patrol of the District. Director Teiber noted that the final Agreement would be listed on the District's December 8, 2015 agenda for consideration.

Operations Report. Mr. Alanis then reviewed the District's water loss report as included in the Board Packet. He noted that the District's water accountability for the month of October was at 95% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 97% of water pumped versus water distributed. Mr. Alanis stated that all of the District's facilities had been winterized and that the District was in "good shape" overall.

Roads Committee. There was no report.

Parks and Recreation Committee. There was no report.

Environmental Committee. Director Savarese updated the Board on the status of the Rainwater Collection System. He stated that the construction of the Rainwater Collection System would not begin until the completion of the renovations at the Community Center.

Engineer. There was no report.

Attorney. There was no additional report.

Communications. There was no report.

With no further business to come before the Board, the Directors scheduled the next meeting for December 8, 2015, and the meeting was adjourned.

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Secretary, Fern Bluff MUD Board of Directors

(SEAL)

Attachments to the Minutes of the
Fern Bluff Municipal Utility District
November 10, 2015 Board of Directors Meeting

1. LCRA Town Hall Information;
2. Fazzone Proposal; and
3. Board Packet.