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

November 15, 2017

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 15, 2017, 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, to wit:

George Sabatino	President
Joseph Teiber	Vice President
Jessica Stempko	Secretary
Kevin Barnes	Treasurer
Marc Smith	Assistant Secretary/Treasurer

and all Directors were present, thus constituting a quorum.

Also in attendance, were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; Mark Burns of ECO Systems Landscaping Services ("ECO"), the District's Landscaper; Ray Mack, a resident of the District; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("McGinnis").

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

Director Sabatino then questioned if anyone present wished to address the Board, and Mr. Mack stated that he wished to speak to the Board.

Mr. Mack then discussed with the Board his belief that fishing should be allowed in the District's ponds.

The Board then considered approval of the monthly consent agenda containing the minutes of the October 10, 2017, regular Board of Directors meeting; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Stempko, the Board voted unanimously to approve the Consent Agenda, including the minutes of the October 10, 2017 regular Board of Directors meeting.

The Board next discussed the appointment of Mr. Smith to the Board to fill the vacancy left by former Director Patrick Savarese. Ms. Johnson explained the procedures under which a municipal utility district could appoint someone to fill a vacancy on the Board, and Director Sabatino reminded those present that Mr. Smith was appointed at the Board's October 10, 2017, Board of Directors meeting, which appointment would become effective upon Mr. Smith taking his oath of office. Ms. McCalla stated that Mr. Smith had submitted his Statement of Officer and Affidavit of Director, as required. Mr. Smith then executed his Oath of Office, which oath was unanimously approved after motions duly made and seconded. Ms. McCalla confirmed that the blanket bond covering the District's five Directors remained in place.

The Directors next considered the need to reconstitute the Board of Directors, pursuant to the requirements of Section 49.054(b) of the Texas Water Code. After discussion, upon a motion duly made by Director Teiber and seconded by Director Barnes, the Board voted unanimously to elect the Directors to the offices indicated:

George Sabatino	President
Joseph Teiber	Vice President
Jessica Stempko	Secretary
Kevin Barnes	Treasurer
Marc Smith	Assistant Secretary/Treasurer

Director Sabatino next motioned and Director Stempko seconded to authorize the District's Attorney to file a revised District Registration Form with the Texas Commission on Environmental Quality, as required. Upon being put to a vote, the motion passed with all Board members voting in favor.

Next, the Board entered into executive session at 6:09 p.m., pursuant to V.T.C.A. Governmental Code, 551.071 in order to discuss pending litigation. At 6:43 p.m., Director Sabatino announced that the Board would reconvene and that no decisions or actions were taken during the executive session.

The Board next considered an ORDER AMENDING PARK RULES AND REGULATIONS GOVERNING RECREATIONAL FACILITIES AND GREENBELTS AND FEES AND CHARGES FOR THE USE THEREOF (the “Order”). Director Sabatino explained that the draft Order was prepared with two options regarding fishing in the District’s ponds, and he reviewed both options with those present. He continued that the District’s ponds were part of the District’s stormwater drainage system designed to drain stormwater from the surrounding areas and prevent flooding downstream. He stated that the ponds must be adequately maintained and that allowing activities directly in and around the ponds would diminish the amount of vegetation surrounding the ponds thereby decreasing the amount of stormwater that the ponds can retain and increasing silt being introduced into the ponds. He continued that fish were originally introduced to the ponds to control the algae in the ponds and mitigate damage to the ponds. After discussion, upon a motion duly made by Director Sabatino and seconded by Director Stempko, the

Board voted unanimously to approve the Order with Option "B" as presented. A copy of the Order, thus approved, is attached hereto as an exhibit to these minutes.

Next, Mr. Burns reported on the landscaping work in the District. He stated that flowers were installed around the Community Center and that the landscaping of the Community Center was almost complete. He added that the District was now on the winter irrigation schedule.

Ms. Miller then discussed additional updates to the District's Park Rules. After discussion, upon a motion duly made by Director Sabatino and seconded by Director Teiber, the Board agreed to amend the District's Park Rules to increase the deposit amount for key access to the tennis courts by out-of- District customers to $200.00.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet and attached hereto as an exhibit to these minutes. She first discussed with the Board soliciting proposals for new landscaping services for the District. After discussion, the Board authorized the District's General Manager to solicit proposals for District landscaping services for presentation to the Board at the District's December 2017 Board of Directors meeting.

Continuing her report, Ms. Miller discussed resurfacing and/or the installation of an overlay system for the District's tennis courts. After a lengthy discussion, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to authorize the District's General Manager to: (1) solicit bids for the installation of an overlay system for the District's tennis courts; and (2) approve the lowest bid solicited in an amount not to exceed $50,000.

Next, Mr. Alanis stated that the District's wastewater manhole inspection program was ending, and he reviewed photos of the manholes that were inspected and cleaned with the Board.

Ms. Johnson next updated the Board on recent damages to the Community Center by a patron. She explained that a demand letter for damages caused to the Community Center during the event was sent to the persons that executed the District's Community Center contract reserving the Community Center. Ms. Miller stated that because of this recent issue, changes to the District's reservation policy for the Community Center were updated to reflect that deposit checks would be cashed upon receipt, and refunded as applicable subsequent to the event.

Ms. Miller then reported that the District's Community Center rates should be updated, and the Board concurred. Ms. McCalla confirmed that she would add an item to the District's December agenda.

Ms. Johnson then reported on the status of the trailer at 8445 Fern Bluff Avenue. She recalled that the Board had authorized her office to move forward with filing a lawsuit. Ms. Johnson stated that the lawsuit had been filed and that her office was in the process of serving the defendant.

Ms. Miller then reported on the payment of bills and invoices to the District as detailed on the District's Payment and Transfers Report. She detailed the bills to the District and the checks in payment thereof. She then reviewed with the Board the status of the District's profit and loss budget performance for the fiscal year to date.

The Board then discussed the date of the District's next regular Board of Directors meeting. After discussion, the Board decided that the District's next regular meeting would be held at 6:00 p.m. on December 12, 2017.

There being no further business to come before the Board, the meeting was adjourned.

_____
Secretary, Board of Directors
Fern Bluff Municipal Utility District

(SEAL)

Attachments to the Minutes of the
Fern Bluff Municipal Utility District
November 15, 2017, Board of Directors Meeting

1. District Packet; and
2. Order Amending Park Rules and Regulations Governing Recreational Facilities and Greenbelts and Fees and Charges for the Use Thereof.