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

March 14, 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 March 14, 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:

Patrick Savarese	President
Joseph Teiber	Vice President
Dave Quillman	Secretary
George Sabatino	Treasurer
Jessica Stempko	Assistant Secretary/Treasurer

and all Directors were present, except Directors Quillman and Teiber, thus constituting a quorum. Also in attendance Hector Alanis, the District's Operations Manager; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

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

Director Savarese noted that there were no residents present at the meeting who wished to address the Board.

The next item of business was approval of the monthly consent agenda. Upon motions duly made by Director Sabatino and seconded by Director Stempko, the Board voted unanimously to approve the Consent Agenda containing the minutes of the February 6, 2017, special and the February 13, 2017, regular Board of Directors meetings; payment of bills and invoices; payment of transfers for operation expenses; pay requests, including Pay Application No. 3 from Fazzone Construction Co., Inc. in the total amount of $233,508.80; change orders; and customer charge write-offs. A copy of Pay Application No. 3 is attached to these minutes as an exhibit.

The Board then considered the resignation of Director Quillman. After a motion duly made b Director Sabatino and seconded by Director Stempko, the Board voted unanimously to: (1) accept the resignation of Director Quillman as presented; (2) announce the Board's intent to interview applicants for Board position at the District's next regularly scheduled Board meeting; and (3) authorize the District's General Manager to

post information regarding the District's application process for a minimum of 14 days on the District's website, all District kiosks, and any additional posting locations deemed appropriate by the District's General Manager. A copy of Director Quillman's letter of resignation is attached hereto as an exhibit to these minutes.

The next item of business before the Board was the submittal of the District's separate storm sewer systems (MS4) annual report under the TPDES (Texas Pollutant Discharge Elimination System) Phase II MS4 General Permit (the "MS4 Permit). Upon a motion duly made by Director Savarese and seconded by Director Sabatino, the Board voted unanimously to authorize the District's General Manager to submit the annual report, as required. Mr. Alanis confirmed that he was in the process of completing the annual report and that it would be submitted by March 31, 2017, deadline date.

The Board then discussed the status of the District's compliance with the Texas Commission on Environmental Quality's (the "Commission") Notice of Enforcement regarding the MS4 Permit. Mr. Alanis reported that the Agreed Order with the Commission had been executed and submitted to the Commission along with the District's payment of $11,000.

Next, Ms. Johnson updated the Board on the status of the Lower Colorado River Authority's (the "LCRA") application to amend its certificate of convenience and necessity for the Round Rock-Leander 138-kV Transmission Line.

Mr. Alanis then 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. He reported that construction and renovation on the District's office building addition (the "Project") continued to be progress. He added that the parking lot was scheduled to be completed by the end of the week. He then discussed with the Board the selection of paint color for the exterior of the Community Center.

Continuing his report, Mr. Alanis told the Board that the Commission had an inspection of the District scheduled for March 16, 2017. He stated that he did not anticipate any issues with the inspection.

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

Director Savarese next reminded the Board that he had spoken with the mayor of Round Rock regarding the Creek Bend Boulevard extension. He stated that the Mayor had followed up on the ideas suggested by Director Savarese regarding the remediation of the "no left turn" lane along from Brightwater.

Next, Director Sabatino gave the Security Committee Report. He stated that there were no issues reported regarding the security services provided by the Williamson

County Sheriff's Office. He reviewed the report with the Board and noted that there had been a burglary of a habitation in recent weeks.

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

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Secretary, Board of Directors
Fern Bluff Municipal Utility District

(SEAL)

Attachments to the Minutes of the
Fern Bluff Municipal Utility District
March 14, 2017, Board of Directors Meeting

1. District Packet;
2. Pay Application No. 3 from Fazzone;
3. Letter of Resignation from Director Quillman.