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

May 9 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 May 9, 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
VACANT	Secretary
George Sabatino	Treasurer
Jessica Stempko	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; Kevin A. Barnes and Julie Barnes, residents of the District; Mark Burns of ECO Systems Landscaping Services ("ECO"), the District's Landscaper; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("McGinnis Lochridge").

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

The Board next discussed the appointment of Mr. Barnes to the Board to fill the vacancy left by former Director David Quillman. Ms. Johnson explained the procedures under which a municipal utility district could appoint someone to fill a vacancy on the Board, and Director Savarese reminded those present that Mr. Barnes was appointed at the Board's April 18, 2017, Board of Directors meeting, which appointment would become effective upon Mr. Barnes taking his oath of office. Ms. McCalla stated that Mr. Barnes had submitted his Statement of Officer and Affidavit of Director, as required. Mr. Barnes 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 Board next considered approval of the monthly consent agenda containing the minutes of the April 18, 2017, regular Board of Directors meeting; payment of bills and invoices; payment of transfers for operation expenses; pay requests, including Pay Application No. 5 from Fazzone Construction Co., Inc. in the total amount of $64,063.74; change orders; and customer charge write-offs. Ms. Miller noted that Keith Hickman of KAH

Architecture & Interior Design ("KAH"), the District's architect for the Fern Bluff Community Center office addition (The "Project"), had not yet "signed off" on Pay Application No. 5. After a brief discussion, upon a motion duly made by Director Stempko and seconded by Director Sabatino, the Board voted unanimously to approve the Consent Agenda, including Pay Application No. 5, subject to Mr. Hickman's approval. A copy of Pay Application No. 5 is included in the Board Packet, which packet is attached to these minutes as an exhibit. [Pay Application No. 5 was subsequently approved by the District's Architect]

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 Savarese and seconded by Director Teiber, 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
Patrick Savarese	Assistant Secretary/Treasurer

Director Sabatino next motioned and Director Savarese 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, Mr. Burns reported on the landscaping work in the District. He stated that ECO was in the process of inspecting the District's irrigation systems to ensure that they are working properly. Mr. Burns added that he would be coordinating with the District's General Manager on the landscaping at the Community Center.

Ms. Miller then presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She reported that construction and renovation on the District's office building addition (the "Building Project") remained on schedule. She reported that there were drainage issues regarding the entrances to the Community Center that were outside the scope of the construction contract. She explained the issues in detail to the Board. A lengthy discussion ensued. Ms. Miller confirmed that she would continue to work with the contractor for the Project to resolve the issues.

Continuing her report, Ms. Miller stated that the final phase of construction for the Project would be the sealcoating and striping of the parking lot, which sealcoating and striping is scheduled for completion within the next few weeks, subject to weather conditions.

Ms. Miller next 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 next issue before the Board was the widening by Williamson County (the "County") of Brushy Creek Road and Hairy Man Road (the "Road Project"). Ms. Miller stated that Robby Caligari, P.E., of CMA Engineering, the District's Engineer, was working with Cobb

Fendley, utility engineer with the County, on the Road Project. Ms. Miller reminded the Board that the current design of the Project involved relocating the District's main water line located in the area. She added that how much the County widens the road would determine the Project's impact to the District.

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. Ms. Johnson stated that a final decision had not been made in the case and that the State Office of Administrative Hearings [SOAH] planned to hold a public hearing on the proposed decision on May 4, 2017.

The Board next considered the composition of the District's Committees. After discussion, it was confirmed that Director Barnes would assume membership in the same committees as former Director Dave Quillman.

The Board next discussed the issue of unleashed as well as leashed dogs in the District's parks and greenbelts. Director Teiber stated that he was working with the Williamson County Sheriff's Office deputies regarding enforcement of the District's rules as well as the County's leash laws. Ms. Miller reported on several vandalism incidents involving the District's irrigation systems. She added that the surveillance cameras installed throughout the District were helping with the situation.

Next, Director Teiber gave the Security Committee Report. He stated that deputies with the Williamson County Sheriff's Office continued to enforce the speed limit laws throughout the District. He noted that patrols were also increased by the schools throughout the District.

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
May 9, 2017, Board of Directors Meeting

1. District Packet.