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

June 13 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 June 13, 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
Patrick Savarese	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; and Morgan Johnson of McGinnis Lochridge, the District's Attorney ("McGinnis Lochridge").

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

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

The Board then considered approval of the monthly consent agenda containing the minutes of the May 9, 2017, regular Board of Directors meeting; payment of bills and invoices; payment of transfers for operation expenses; pay requests, including Pay Application No. 6 from Fazzone Construction Co., Inc. in the total amount of $56,003.26; 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. 6. 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, including Pay Application No. 6, subject to Mr. Hickman's approval. A copy of Pay Application No. 6 is included in the Board Packet, which packet is attached to these minutes as an exhibit. [Pay Application No. 6 was subsequently approved by the District's Architect]

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.

Ms. Johnson then 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 (the “Transmission Line Case”). Ms. Johnson stated that the State Office of Administrative Hearings (SOAH) had issued a final decision in the Transmission Line Case, and that the final route approved would not impact the District’s parks. She noted that the decision would likely be appealed.

Ms. Miller then presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. Ms. Miller first reviewed the District's annual Drinking Water Quality Report for 2016 with the Board (the "Report"). She stated that the Report would be sent out in the District's billing notices prior to July 1, 2017, as required. A copy of the Report is attached hereto as an exhibit to these minutes.

Ms. Miller next stated that her office had begun the budget process for the fiscal year ending September 30, 2018. She pointed out that the budget would include the Williamson County Appraisal District's 2017 appraised values for the District. She stated that the preliminary values reflected a net taxable value of $526,896,771. However, Ms. Miller noted that approximately $90,000,000 of that amount was still “under review.” A copy of the preliminary values from the Appraisal District is attached as an exhibit to these minutes.

Next, Ms. Miller reported that construction and renovation on the District's office building addition (the "Building Project") was almost finished. She stated that only a few minor items remained to be completed, which items include small roof issues as well as work on the trellis on the outside of the office building. After a brief discussion, upon a motion duly made by Director Savarese and seconded by Director Stempko, the Board voted unanimously to authorize Ms. Miller to execute documents stating that the Building Project was substantially complete.

Continuing her report, Ms. Miller stated that the play equipment at Olson Meadows Park was in need of maintenance. She continued that she would be contacting vendors to obtain proposals for the replacement of certain play equipment in the park.

Ms. Miller then stated that the District’s green belts were being utilized by persons for their own private use. She explained that damage was being done to the green belts and that she had recently approached several youths building a tree house in one of the green belts and had asked them to leave. Ms. Miller continued that one of the kids did not comply, and she was forced to call the Sheriff’s Department. She told the Board that residents building structures and installing gardens within the District’s green belts continued to be ongoing issues. Ms. Miller suggested that the Board send a letter to District residents informing them of the District’s rules with regard to trespassing and the District’s green belts, and the Board concurred. After additional discussion, the Board authorized the General Manager to work with the District’s Attorney to compose a letter for review by the Board.

Next, Ms. Miller requested that the District's Attorney send deed enforcement letters to six residents in violation of deed restrictions. After discussion, upon a motion duly made by Director Savarese and seconded by Director Barnes, the Board voted unanimously to authorize the District's Attorney to send out the letters, as requested.

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 item before the Board was maintenance and improvement at the District's parks. Director Teiber stated that he planned to assess the maintenance needed at the District's park and present a recommendation to the Board in the near future.

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.

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
June 13, 2017, Board of Directors Meeting

1. District Packet;
2. 2016 Drinking Water Quality Report; and
3. Williamson County Appraisal District preliminary assessed values for the District.