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

July 11 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 July 11, 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, except Director Savarese, thus constituting a quorum.

Also in attendance, were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("McGinnis Lochridge").

Director Sabatino called the meeting to order, after which Director Barnes 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 June 13, 2017, regular Board of Directors meeting; payment of bills and invoices; payment of transfers for operation expenses; pay requests, including Pay Application No. 7 from Fazzone Construction Co., Inc. in the total amount of $36,486.67; 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 Pay Application No. 7. A copy of Pay Application No. 7 is attached hereto and shall be considered an exhibit to these minutes.

The next item of business was the engagement of an auditor for the District’s financial audit for the fiscal year ending September 30, 2017. The Board reviewed the proposal from Donald L. Allman. Upon motion duly made by Director Sabatino and seconded by Director Barnes, the Board voted unanimously to retain Mr. Allman’s services for the 2017 audit.

The next item of business before the Board was review of the Request for Right-of-Entry (the "ROE") from Williamson County (the "County"). Ms. Miller explained that the County was performing tasks associated with the Hairy Man Road and Great Oaks at Brushy Creek improvement projects and would need to access property owned by the District to obtain data needed for planning and design of the improvement projects. She continued that she had forwarded the ROE to the District's Attorney for review. Ms. Johnson told the Board that she had reviewed the ROE, and she suggested revising the terms of the contract 23 months to 12 months and including additional language in the ROE detailing the County's assumption of risks and stating that the County will not interfere with District activities. After discussion, upon a motion duly made by Director Barnes and seconded by Director Sabatino, the Board voted unanimously to: (1) approve the ROE subject to final approval by the District's Attorney; and (2) authorize Ms. Miller to execute the final ROE subsequent to said approval. A copy of the final ROE, thus revised and executed, is attached hereto as an exhibit to these minutes.

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 reminded the Board 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 affect the District's parks. She continued that several parties had appealed the SOAH decision and that the appeal process could take several months.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. Ms. Miller stated that irrigation of the District's parks and green spaces was continuing, and that installation of the irrigation at the Community Center was planned for the near future. She requested that the Board alert her office if they noticed any landscaping issues at the District's parks or green spaces.

Ms. Miller then stated that her office had recently received an email from a District resident regarding coyotes in the District and was requesting that the District get involved. Ms. Miller recalled that in the past the District had looked into trapping the animals, but that the green belts would need to be closed during the trapping of the animals and that even after removing one coyote, another coyote would likely move into the District to take its place. Ms. Miller suggested sending out messages to District residents to educate them regarding the issues, and the Board concurred.

Ms. Miller then reported that she planned to solicit bids to replace the trellis on the patio at the Community Center. She added that the bids would be presented for review by the Board at the next Board of Directors meeting.

Continuing her report, Ms. Miller stated that her office had started the budgeting process and would be working with the District's Financial Advisor on the District's tax rate requirement for debt service. She also reminded the Board that water rates would again increase in response to the City of Round Rock's increase in water rates.

Ms. Miller then reported to the Board that she was working with the District's insurance provider, Texas Municipal League Intergovernmental Risk Pool, to update the insurance coverage for the Community Center.

Ms. Miller also noted that the District was mentioned in an article in the Austin-American Statesman as having one of the best playgrounds in Austin.

Next, Ms. Miller updated the Board on the status of deed enforcement letters to six residents in violation of deed restrictions. She stated that she continued to work with the District's Attorney and Connect regarding the letters.

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.

Next, Director Teiber gave the Security Committee Report. He stated that deputies with the Williamson County Sheriff's Office (the "Sheriff's Office") had identified several youths building forts in the District's parks and had met with the youths' parents. He added that the Sheriff's Office continued to do a good job managing traffic violators within the District.

The Board next discussed additional ways to update District residents regarding issues and events occurring within the District. A lengthy discussion ensued. Ms. Miller stated that she would look into all the possibilities discussed.

Ms. Johnson then reviewed with the Board a memorandum from McGinnis Lochridge on the bills passed during the 85th Legislative Session. She stated that Governor Abbott had issued a proclamation for special session beginning July 18, 2017, and that her office would present an updated memorandum on any relevant bills passed during the special session. A copy of the memorandum from McGinnis Lochridge is attached hereto and shall be considered an exhibit to these minutes.

Next, Director Barnes suggested that the Board consider purchasing tablets to lessen the amount of paper used for Board meetings. After discussion, the Board directed the District's Attorney to include an item regarding the purchase of tablets on the District's August agenda.

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
July 11, 2017, Board of Directors Meeting

1. District Packet;
2. Pay Application No. 7 from Fazzone;
3. Williamson County Right-of-Entry; and
4. Memorandum from McGinnis Lochridge on 85th Legislative Session.