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

March 13, 2018

THE STATE OF TEXAS
WILLIAMSON COUNTY

The Board of Directors (the "**Board**") of the Fern Bluff Municipal Utility District (the "**District**") convened in a **regular** meeting open to the public at 6:00 p.m. on March 13, 2018, 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; Jack Gardner of Texas Lawn and Garden, LLC, the District's Landscaper ("**Texas Lawn**"); 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 noted that there were no persons present who wished to address the Board.

The Board then considered approval of the monthly consent agenda containing the minutes of the February 8, 2018, 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 Barnes, the Board voted unanimously to approve the Consent Agenda, including the minutes of the February 8, 2018, regular Board of Directors meeting.

Mr. Gardner next presented the Landscaping Report. He first reported that Texas Lawn was working to remove fire ant mounds throughout the District. He also stated that the leaves from the live oak trees within the District were falling, and that Texas Lawn was in the process of removing the leaves. He noted that Texas Lawn would start the landscaping

projects approved by the Board for the areas in and around the Fern Bluff Community Center this week and that the projects should be complete within three to four weeks.

He then reminded the Board of Texas Lawn's plans to provide proposals on projects to update the District's Parks, Trails, and Green Belts aesthetically as well as to improve the overall functionality of the areas based on specific environmental conditions. He then reviewed specific proposals for Veterans Park and Fern Bluff Park with the Board. After discussion, upon motions duly made and seconded, the Board voted unanimously to approve the proposals as submitted. A copy of the proposals is attached hereto and shall be considered an exhibit to these minutes.

The Board then discussed the May 5, 2018, Directors Election (the "**Election**"). Ms. McCalla stated that as the agent for the District, McGinnis Lochridge has certified that no more than two persons had filed to be listed on the ballot as candidates for Director of the District and that no persons had filed as write-in candidates for the Election. Ms. McCalla explained that the Board could now declare the unopposed candidates elected to office and avoid further costs associated with the holding of an election, pursuant to Section 2.053 of the Texas Election Code. She explained that the new terms of office of Directors Stempko and Barnes would commence at the first meeting after the Election, at which time they would be required to take the Oath of Office. She then presented the ORDER CANCELLING THE MAY 5, 2018 DIRECTORS ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE (the "**Election Order**"). After consideration, upon a motion duly made by Director Sabatino and seconded by Director Smith, the Board voted unanimously to: (1) approve the Election Order; and (2) declare the following unopposed candidates elected to office: Kevin Barnes and Jessica Stempko. Ms. McCalla also pointed out that a copy of the Election Order would need to be posted at the District's regular polling places on Election Day. A copy of the Election Order is attached as an exhibit to these minutes.

Ms. Miller next confirmed that her office was in the process of submitting the District's TPDES Phase II MS4 General Permit Annual Report. She noted that there was some confusion at the Texas Commission on Environmental Quality offices regarding the District's pending TPDES Phase II MS4 General Permit, but that her office was working to resolve the issue.

Ms. Miller next updated the Board on the status of the improvements and/or the widening by Williamson County (the "County") of Brushy Creek Road and Hairy Man Road (the "Project"). She stated that the originally approved bridge for the Project was still on hold pending an investigation into the proposed design of the bridge.

Ms. Miller then discussed with the Board two developments proposed within the District by Milestone Community Builders and Lennar Homes. She distributed information providing details on both the proposed developments as well as their locations within the District for the Board's review. Copies of the information are attached to these minutes as exhibits.

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 stated that the resurfacing of the District's tennis courts was in progress and scheduled

to be complete by the end of next week. She also reported on an ongoing billing issue with the AVR billing software ("**AVR**") used by the District. She emphasized that her office had audited the bills and that the actual billing sent out to customers is correct. She explained that the AVR system had a quirk it its reporting method that does not factor in the amounts for any account with meter change-outs so that the water loss/gain on the report provided to the Directors each month is incorrect. She continued that she had contacted personnel at AVR, who are aware of the issue and continue to work with the District to resolve the issue. She added that the District's actual water loss/gain percentages stay within the industry average of 3% loss each month.

Director Sabatino next reported on the patrols of the District by off-duty officers pursuant to the Independent Contractor Agreement for Off-Duty Security and Patrol Services between the District and the Williamson County Sheriff's (the "**Sheriff's Office**"). He stated that the Sheriff's Office continued to do a great job patrolling the District, and he commended Director Teiber for his part in helping to secure the agreement with the Sheriff's Office.

Ms. Johnson then updated the Board on the status of the following lawsuits: Fern Bluff Municipal Utility District v Ganesh Padmanabhan and Fern Bluff Municipal Utility District v Demetria Castillo-Woolf, Gregory Esquivel, and Samantha Castillo. No action was taken on these items.

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 April 10, 2018.

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 13, 2018, Board of Directors Meeting

1. District Packet;

2. Proposals from Texas Lawn;

3. Information on new developments; and

4. Order Canceling Directors Election.