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

July 17, 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 July 17, 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 Phil Haag 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 no persons were present who wished to address the Board.

The Board then considered approval of the monthly consent agenda containing the minutes of the June 12, 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 Stempko, the Board voted unanimously to approve the Consent Agenda, including the minutes of the June 12, 2018, regular Board of Directors meeting.

Mr. Gardner next presented the Landscaping Report. He stated that Texas Lawn completed work within Fern Bluff Park and were now working on smaller projects within Brightwater Park. He continued that Texas Lawn was spot treating ant mounds within the District and that overall the District was in good shape. Director Sabatino stated that he

especially liked the recent changes at Veterans Park within the District, and he thanked Texas Lawn for all their hard work.

Engagement of an Auditor to perform audit services for the fiscal year ending September 30, 2018, was deferred until the August Board of Directors meeting.

Next, the Board reviewed a letter to the City of Round Rock (the "**City**") regarding the increasing danger of accidents at the intersection of Smyers Lane and the 7000 block of Wyoming Springs Drive. After review and a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Barnes, the Board voted unanimously to approve the letter as presented and to authorize the District's General Manager to send out the letter to the City. A copy of the letter to the City is attached hereto and shall be considered an exhibit to these minutes.

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**"). Ms. Miller stated that the Roads Committee had attended a meeting with the County regarding the Project on July 10, 2018. She reviewed the details of the meeting with the Board. She emphasized that the District has water and sewer lines in areas that will be under construction as part of the Project and that considerable care would need to be taken in these areas. Ms. Miller added that CMA Engineering, the District's Engineer, would be working with the County on the Project to ensure that the District's interests were considered.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet attached hereto as an exhibit to these minutes. She stated that Samco Leak Detection ("**Samco**") had completed a water leak survey of the District's water lines and that very few leaks were detected. She stated that a line leak was discovered on Capri Isle and repairs were completed before July 4, 2018. She also noted that two fire hydrants had slow leaks but were subsequently also repaired. She added that Samco found four customer side leaks and that the customers had been notified.

Continuing her report, Ms. Miller told the Board that the City was planning a $103.000,000 expansion of its regional wastewater treatment plant (the "**WWTP Project**"). She explained that the District would incur some costs for the WWTP Project but not for the expansion portion of the WWTP Project only for the upgrades to the wastewater treatment plant required because of recent legislative changes and additional regulatory requirements. Ms. Miller noted that these costs would need to be included in the District's budgeted expenses going forward.

Next, Mr. Alanis review the Operations Reports included in the Board Packet with Board. He noted that the District's water accountability for the month of June was 96%. He then questioned if the Board would be interested in a program to replace the District's current water meters with "smart" water meters. He explained that a smart meter connected to a data logger that allows for "real time" monitoring of water consumption within the District. He added that it allows customers of the District to understand and monitor their water usage, thus assisting the District in managing its facilities and providing better customer service. He then reviewed with the Board additional pros and cons for installing a smart meter in the District. After discussion, the Board requested that Mr. Alanis obtain a proposal for the installation of smart meters within the District for the Board's review.

Ms. Miller then reviewed the details of deed restriction violations by several property owners within the District.

Next, Director Teiber 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 recounted several incidents that occurred within the District during the past month, including the discovery of a pipe bomb in a house. He stated that the pipe bomb incident remains under investigation by the Sheriff's Office.

Director Smith then reported to the Board on District Communications. He suggested that a list of the District's rules on what can and cannot be installed in the District's greenbelts should be included on the District's website, and the Board concurred.

Mr. Haag then updated the Board on the status of the following lawsuit: Fern Bluff Municipal Utility District v Demetria Castillo-Woolf, Gregory Esquivel, and Samantha Castillo. No action was taken.

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 August 14, 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
July 17, 2018, Board of Directors Meeting

1. District Packet; and

2. Letter to the City of Round Rock.