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

January 15, 2019

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 January 15, 2019, 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; Brian Schmidt of Texas Lawn and Garden, LLC, the District's Landscaper ("**Texas Lawn**"); and Phil Haag and Zac Evans of McGinnis Lochridge, the District's Attorney ("**McGinnis**").

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

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

The Board then considered approval of the monthly consent agenda containing the minutes of the December 11, 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 December 11, 2018, regular Board of Directors meeting.

Mr. Schmidt next presented the Landscaping Report. He stated that Texas Lawn was in the process cleaning up the District's greenbelts. He then detailed Texas Lawn's plans for the District going forward.

Next, Mr. Haag reminded the Board that Senate Bill 1812 [passed during the 84th Texas Legislative Session] requires any entity with eminent domain authority to log on to the Comptroller's website annually to report specific information to the Comptroller for posting. Mr. Haag continued that the District is required to submit this information by February 1 of each year and that failure to comply with these requirements may result in a penalty of $1,000 for each notification from the Comptroller and would result in the entity being listed on a list of non-complying entities. He pointed out that failure to comply would not affect the District's authority to exercise its eminent domain authority. After a brief discussion, upon a motion duly made by Director Sabatino and seconded by Director Teiber, the Board voted unanimously to authorize the District's Attorney to complete the District's eminent domain filing, as required.

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 preliminary planning seems to be ongoing with the widening of the roads for the Project. She added that the District was working with various utility contractors for the relocation of certain equipment at Olson Meadows Park along Great Oaks Drive.

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 Texas Lawn would begin the process of replanting and/or replacing certain trees within the District. She added that the types of trees chosen for replacement were drought tolerant with some species having beautiful fall color. She then reported that the frequency and amount of rain within the District's parks had affected the mulch located around the playscapes within the parks. She then presented a proposal to replenish the playscape mulch to a 5" depth. A copy of the proposal is included in the Board. Packet. Further discussion of this item was deferred until later in the meeting.

Mr. Alanis then presented a proposal for the Board's consideration for a backhoe/loader and associated appurtenances [pallet forks, grapple bucket, and auto-feed chipper]. He explained that the total for all items would be $81,194.01. Ms. Miller noted that the purchase would be through the Texas Buy Board Cooperative. Ms. Miller also stated that the items were included in the budget for the current fiscal year and that the total cost was within the budgeted amount. Mr. Alanis then detailed the specifics about each piece of equipment with the Board. After discussion, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to approve the purchases as detailed above in the total amount of $81,194.01. A copy of the proposal is included in the Board Packet.

The Board next considered the Texas Lawn proposal to install playscape mulch as discussed earlier in the meeting. After a brief discussion, upon a motion duly made by Director Barnes and seconded by Director Teiber, the Board voted unanimously to

approve the proposal from Texas Lawn in the amount of $17,500.00 to install playscape mulch around playscapes within the District. A copy of the proposal in included as an attachment to the Board Packet.

Mr. Alanis next reviewed the Operations Reports included in the Board Packet with the Board. He noted that the District's water accountability for the month of December was 93%.

The Board then discussed the possible purchase of dog waste stations for areas within the District. Ms. Miller proposed that two dog waste station could be installed along Williamson County trail in the area of Olson Meadows. Director Smith explained that the dog waste stations would have bags for collection use at each station. After a question from the Board, Ms. Miller responded that the purchase price of the dog waste stations would be approximately $200 - $300 per station. She added that her main concern was finding someone to empty the dog waste stations on a regular basis. A lengthy discussion ensued. The Board requested that the District's General Manager obtain specific prices for the stations as well as obtain costs for the ongoing maintenance of the stations. Further discussion on the issue was tabled until a later date.

The Board then entered into executive session at 6.56 p.m., pursuant to V.T.C.A. Government Code, Chapter 551.071, to receive the attorney's advice on Items 10(g)(i) as listed on the agenda. The Board reconvened in open session at 7:10 p.m. Director Sabatino reported that no decisions were made and no votes taken on the items discussed in executive session.

The Board then discussed the deed violations at 8307 Priest River Drive. The Board reviewed photos of the work completed by the homeowner to date. After discussion, upon a motion duly made by Director Smith and seconded by Director Stempko, the Board voted unanimously to authorize the District's Attorney to send a letter to the homeowners requesting an anticipated completion date.

Director Teiber then 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 Office. He noted that the there was a motorcycle fatality on January 12, 2019, and that no other significant issues occurred during the month.

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. He stated that his office was still working on the appointment by the Court of an attorney ad litem and that the process was slowly moving forward.

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 February 12, 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
January 15, 2018, Board of Directors Meeting

1. Board Packet.