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

December 13, 2016

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 December 13, 2016, 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:

Patrick Savarese	President
Joseph Teiber	Vice President
Dave Quillman	Secretary
George Sabatino	Treasurer
Jessica Stempko	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; Nickie Brereton of ECO Systems Landscaping Services ("ECO"), the District's Landscaper; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

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

Director Teiber noted that there were no persons present who wished to address the Board.

The next item of business was approval of the monthly consent agenda. Upon a motion duly made by Director Stempko and seconded by Director Quillman, the Board voted unanimously to approve the Consent Agenda containing the minutes of the November 15, 2016, 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.

The Board deferred consideration of the Solid Waste Collection, Recycling & Disposal Agreement with Central Texas Refuse, Inc. and Round Rock Refuse, Inc., until a later Board of Directors meeting.

Next, Ms. Brereton reported on the landscaping work in the District. She informed the Board that the District's irrigation system usage was reduced by 20 percent because less irrigation was required during the winter months. She told the Board that winter freezes can cause irrigation pipes to burst, and to report any standing water to ECO. She

continued that ECO had completed the tree work and mulching of the flower beds in the District. Ms. Miller noted that there were low-hanging branches hanging over several streets throughout the District, and Ms. Brereton confirmed that ECO would take care of the issue. After completion of her report, Ms. Brereton thanked the Board and departed the meeting.

Next, Ms. Johnson 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. She stated that initial briefs were due to the Court by December 19, 2016, and that she was in the process of drafting the District's brief and would submit the brief timely. She added that the District's brief does not support a particular route but opposes routes through the District.

Ms. Miller then 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 first reported that construction and renovation on the District's office building addition (the "Project") was in progress. She stated that she had met with Keith Hickman of KAH Architecture & Interior Design ("KAH"), the District's architect for the Project to clarify the terms under which KAH would oversee construction of the Project by the District's contractor. She continued that Mr. Hickman planned to meet with her onsite to inspect the the Project worksite bi-weekly. Ms. Miller added that meetings with the contractor and the engineer would be scheduled on an as-needed basis.

Continuing her report, Ms. Miller stated that sound boards for the meeting rooms located at the Community Center should be installed in January. She reported that new replacement trashcans for various park locations as well as replacement tables for Olson Meadows had been ordered and delivery was expected during the upcoming week. Ms. Miller told the Board that the "Dogs on Leash" signs had been delivered and installed on new and existing poles throughout the District. She suggested that the old wooden tables located at Olson Meadows be relocated to an area under the pecan trees, and the Board concurred. Ms. Miller also noted that the District's elevated storage tank had been decorated with lights for the holiday season.

Ms. Miller next presented an amended budget for the fiscal year ending September 30, 2017, a copy of which is attached hereto. She explained that the budgeted amounts for several line items related to the District's parks had increased. She reviewed the amended budget in detail with the Board. After review, upon a motion duly made by Director Sabatino and seconded by Director Quillman, the Board voted unanimously to approve the amended budget as presented.

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.

Next, Ms. Miller recalled that the Board had requested that Ms. Miller solicit additional proposals for the landscaping work required due to the Project. She continued that she had solicited additional proposals from landscapers but that no proposals were received. She

stated that she had spoken with ECO, who updated and resubmitted their proposal for the landscaping work in the total amount of $69,725.00. After discussion, upon a motion duly made by Director Stempko and seconded by Director Sabatino, the Board voted to approve the proposal from ECO in the amount of $69,725.00, with Directors Stempko, Sabatino, and Teiber voting in favor and Director Quillman voting against the motion. A copy of the proposal from ECO, thus approved, is attached hereto as an exhibit to these minutes.

Ms. Miller then reported that the City of Round Rock had installed a traffic sign along Wyoming Springs in front of the Fern Bluff Community Center that was hidden by the trees and was unable to be seen by cars traveling down the street. She stated her belief that the sign was installed on the District's property. After discussion, Ms. Miller agreed to contact the City regarding the issue.

Next, Director Teiber gave the Security Committee Report. He stated that there were no issues reported regarding the security services provided by the Williamson County Sheriff's Office. A copy of the Security Report is attached hereto as an exhibit to these minutes.

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
December 13, 2016, Board of Directors Meeting

1. District Packet;
2. Amended budget for the fiscal year ending September 30, 2017;
3. Proposal from ECO Systems; and
4. Security Report.