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

July 12, 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 July 12, 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:

Patrick Savarese	President
Joseph Teiber	Vice President
Dave Quillman	Secretary
George Sabatino	Treasurer
Jessica Stempko	Assistant Secretary/Treasurer

All Directors were present, with the exception of Directors Savarese and Quillman, thus constituting a quorum. Also present were Janey Miller, the District's General Manager; Hector Alanis, the District's Operation's Manager; Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney. Members of the public were also present at the meeting. A copy of the sign-in sheet for those in attendance at the meeting is attached hereto.

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 citizen communications.

The next item of business was approval of the monthly consent agenda. After a brief discussion, upon a motion duly made by Director Sabatino and seconded by Director Stempko, the Board voted unanimously to approve the Consent Agenda containing the minutes from the June 21, 2016, Board meeting, payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs.

The next item of business was the engagement of an auditor for the District's financial audit for fiscal year ending September 30, 2016. The Board reviewed the proposal from Donald L. Allman. Upon motion duly made by Director Stempko, seconded by Director Sabatino, the Board voted unanimously to retain Mr. Allman's services for the 2016 audit.

Next, Director Teiber asked for a report on the Williamson County Road and Bridge plan and Improvements and/or widening of Brushy Creek Road and Hairy Man Road. Ms. Miller stated that the County Road & Bridge staff will host an open house on July 14th in order to explain their two proposals for the improvements and additions to the Great Oaks/Hairy Man intersection and the new bridge construction. She added that the open house will be a good opportunity for the staff to receive citizen comments regarding the two options. She presented a letter from Ms. Johnson to the staff that expressed the District's non-support for Option A but said there has been no response as yet.

Ms. Miller went on to present a letter from the Williamson County Road Bond Project Team regarding proposed improvements to RM 620 from Cornerwood Drive to Deep Wood Drive. She added that this project might bring attention to the need for improvements to the Wyoming Springs and RM 620 intersection and the need for a turn lane leaving the District.

The next item of business was the District consultant and committee matters.

Ms. Miller began with the General Manager's Report and 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. She then reviewed with the Board the status of the District's profit and loss budget performance for the fiscal year to date. A copy of the General Manager's Report is attached hereto.

Next, Mr. Alanis presented the Water Loss Report noting that there was 8.14% loss and 7.62% unaccounted loss for June.

Ms. Miller reported on the maintenance of the District's parks and open spaces. She stated that the aeration and field dressing were completed and added that she planned to talk with the landscaper about watering more because the recent dry winds have caused heat damage to plants.

She reported that work is continuing on the Creekbend Extension project and that Capital Excavation has been working to keep its Saturday work from imposing on weekend events at the Community Center. She stated that the bid request for the office addition will likely be published prior to the next Board meeting.

She stated that the Budget Committee should meet to discuss the budget for fiscal year 2016-2017. She reported that she is looking at the pass-through costs related to the City's 11.3% wholesale water rate increase and how that will be reflected in the budget.

Director Stempko reported that she is remaining proactive regarding the road improvements but has no additional information at this time.

There was no Parks and Recreation Report, Director Stempko asked Ms. Miller to research options for aluminum benches for the Parks. She also reported that some residents had requested shade covering in the parks. She added that there is tree cover

for most of the day but that some of the pocket parks need more shade. She also reported that one of the big pecan trees at Olsen meadows had fallen.

Next Director Stempko gave the Community Center report. She stated that Ms. Miller had ordered the vinyl chairs for the banquet seating and had gotten a great price. She said that the kitchen needs to be refurbished and the hallway needs some renovations. She suggested that these be completed in the interim so all will be complete when the construction is finished. Ms. Miller noted that she will meet with the sound board people on Friday morning to discuss the options.

There was no Deed Restriction Committee Report.

Director Sabatino gave the Security Committee Report and stated that Mr. Alanis is looking at updating the security system at the Community Center and that there is money budgeted for the water tower and lift station. He stated that a global system would be best with a minimum of seven cameras at the center. He stated that this matter would be discussed at the Budget Committee meeting.

As part of the Communications Report, he reported that the District website is up and running.

The Board agreed that the next Board meeting would be August 9, 2016.

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
June 21, 2016, Board of Directors Meeting

1. Attendance Sign-in Sheet; and
2. General Manager's Report