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

June 21, 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 June 21, 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, thus constituting a quorum. Also present were Janey Miller, the District's General Manager; Hector Alanis, the District's Operation's Manager; Robert Daigh, P.E., Williamson County Department of Infrastructure; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney. Numerous 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 Savarese called the meeting to order, after which Director Teiber led those present in the Pledge of Allegiance.

Director Savarese noted that there were several persons present who wished to address the Board.

The Board first recognized Terry Cook and Landy Warren, candidates for Williamson County Commissioner, Precinct 1. The candidates each discussed their experience and qualifications as well as their positions on various issues relevant to the District.

The next item of business was approval of the monthly consent agenda. After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Savarese, the Board voted unanimously to approve the Consent Agenda containing the minutes from the May 10, 2016, Board meeting, as written; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs.

Next, the Board heard from Mr. Daigh who reviewed a power point presentation on the Bridge Replacement and Intersection Improvement Project at Great Oaks Drive at Brushy Creek (the "Project") with the Board. He explained that the purpose of the Project was to raise the bridge to reduce the impact of flooding events caused by the level of the existing bridge structure and to provide safe access across Brushy Creek during flood events. He added that the Project would also provide safe access for emergency vehicles, provide intersection capacity to allow improve mobility for vehicles, improve the Brushy Creek Trail connectivity, and provide for the safety of trail users, pedestrians and bicyclists. Mr. Daigh explained that Williamson County had designed two options for the Project: Option A – a grade-separated curved ramp or Option B – an at-grade four lane bridge. A lengthy discussion ensued regarding the advantages and disadvantages of both options. In response to a question by the Board, Mr. Daigh replied that the estimated costs for both project options was approximately the same, which amount was estimated at $5,000,000.

Mr. Daigh then discussed the Hairy Man Road Safety Improvement Project (the "Hairy Man Project") with the Board. He told the Board that the purpose of the Hairy Man Project was to improve safety for motor vehicles, pedestrians, and bicyclists, as well as to provide safe access to Brushy Creek Park facilities. He explained that the proposed plan included roadway between Brushy Bend Drive and Sam Bass Road of approximately 2.4 miles. He stated that the project design for the Hairy Man Project included: adding two-foot shoulders to the roadway, adding rumble striping along the centerline and along the edge of the roadway, adding turn lanes onto Olsen Meadows Park and Creekside Park, and improvements to park entrances.

The Board then questioned the costs of the projects and the source of funding. Mr. Daigh responded that the Project would be funded by the 2006 and 2013 Williamson County Road Bond Program and that the Hairy Man Project would be funded by the 2013 Williamson County Road Bond Program. He stated that the estimated cost for the Hairy Man Project was $2,500,000. Mr. Daigh also told the Board that construction was anticipated to begin in spring of 2017 for both the Project and the Hairy Man Project. After continued discussion, the Board thanked Mr. Daigh for his time, and the Board suspended the meeting at 7:11 p.m. to allow those present to exit the meeting. The Board reconvened at 7:22 p.m.

Next, Ms. Miller 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 (the "LCRA Project"). She stated that the District's Attorney had filed a Motion to Intervene with the Public Utility Commission on the District's behalf as authorized by the Board at the District's May meeting. Ms. Johnson reported that her office would be timely filing a Request for a Hearing on the Merits and a Request for Referral to the State Office of Administrative Hearing (SOAH).

Ms. Miller then reported on the landscaping work in the District. She stated that the aeration and top-dressing of the District's sports fields had begun this date. She

continued that the fields would require additional irrigation over the next few days and that the aeration and top-dressing should be complete by the end of the week.

Ms. Miller then presented the General Manager's Report in its entirety, a copy of which is attached hereto as an exhibit to these minutes. She stated that the District had received approval from the Texas Commission on Environmental Quality (the "Commission") on the District's amendment to its Water Pollution and Abatement Plan (the "WPAP Amendment") for the office addition at the District's Community Center (the "Community Center Project"). She stated that the WPAP Amendment would require some changes to the current grassy swale and detention pond at the south end of the parking lot. She added that the District's Attorney was in the process of reviewing the bid documents for the Community Center Project and that after approval a request for bids would be published as required. She continued that she hoped to have proposed bids for review in the near future.

Ms. Miller next reported that the Community Center Committee had decided on vinyl chairs for the Community Center's banquet seating. She stated that the vinyl chairs were of a significantly higher quality than other options.

Continuing her report, Ms. Miller reviewed the District's annual Drinking Water Quality Report with the Board (the "Report"). She stated that the Report would be sent out in the District's billing notices prior to July 1, 2016, as required. A copy of the Report is attached hereto as an exhibit to these minutes.

Ms. Miller next stated that her office had begun the budget process for the fiscal year ending September 30, 2017. She pointed out that the budget would include the Williamson County Appraisal District's 2016 appraised values for the District, which values reflect an increase of $2,237,000 in taxable value.

Ms. Miller then 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, Mr. Alanis reviewed the District's water loss report as included in the Board Packet. He noted that the District's water accountability for the month of May was at 95% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 95% of water pumped versus water distributed.

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. Director Teiber stated that the officers patrolling the District were engaging more with the residents and were visible throughout the District. He added that the Officers continued to stop of lot of

speeders in the District, which he noted would have a positive impact on future speeding in the District.

Finally, the Board discussed the District's website. Director Teiber stated that the fact that the District was a recently designated as a Superior Water System by the Commission should be posted on the website, and the Board agreed.

There being no further business to come before the Board, the meeting was adjourned.

_____
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. General Manager's Report; and
2. Annual Drinking Water Quality Report.