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

May 10, 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 May 10, 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, except Director Quillman, thus constituting a quorum. Also present were Janey Miller, the District's General Manager; Hector Alanis, the District's Operation's Manager; Donna Scoggins, Andrew Sabatino, and Luke Sabatino, residents of the District; and Phil Haag and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

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

Director Savarese noted that there were no residents of the District present who wished to address the Board.

The first 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 Sabatino, the Board voted unanimously to approve the Consent Agenda containing the minutes from the April 12, 2016, Board meeting, as written; the April 12, 2016, Certified Agenda of Executive Session, as written; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs.

Next, Ms. McCalla provided the Statements of Elected Officer and the Oaths of Office for the Directors whose new terms of office commenced as of May 7, 2016. She reminded the Board that the blanket bond covering the five persons who are serving as Directors of the District remained in effect. After review, upon a motion duly made by

Director Sabatino and seconded by Director Teiber, the Board voted unanimously to approve the Statements of Elected Officer and the Oaths of Office of Directors Teiber, Sabatino, and Savarese.

The Directors next considered the need to reconstitute the Board of Directors, pursuant to the requirements of Section 49.054(b) of the Texas Water Code. After discussion, upon a motion duly made by Director Sabatino and seconded by Director Savarese, the Board voted unanimously to elect the Directors to the offices indicated:

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

Director Teiber then made a motion that all committee assignments remain the same, and Director Sabatino seconded the motion. The motion passed with all Board members voting in favor.

Next, upon a motion duly made by Director Savarese and seconded by Director Teiber, the Board voted unanimously to authorize the District's Attorney to file a revised District Registration Form with the Texas Commission on Environmental Quality, as required.

Ms. Miller then reported on the status of the 2015 Drinking Water Quality Report (the Water Quality Report"). She stated that the Water Quality Report was in progress and that it would be ready for distribution to District residents in the June billing. The Board deferred any action until the District's next Board meeting.

The Board next discussed the status of the application filed with the Public Utility Commission (the "PUC") by the Lower Colorado River Authority (the "LCRA") to amend its Certificate of Convenience and Necessity for the proposed Leander-Round Rock 138-kV Transmission Line Project (the "LCRA Project"). Director Savarese reported that the District had received a letter from the LCRA regarding the LCRA Project and detailing the steps to take if the District wished to intervene in the case. Director Savarese pointed out that the LCRA's proposed route did not go through the District. Mr. Haag explained the steps involved with filing a Motion to Intervene with the PUC. After discussion and a motion duly made by Director Teiber and seconded by Director Stempko, the Board voted unanimously to authorize the District's Attorney to file a Motion to Intervene with the PUC on behalf of the District.

Next, Ms. Miller reported on the landscaping work in the District. She stated that the aeration and top-dressing of the District's sports fields was scheduled for June.

Ms. Miller then presented the General Manager's Report, a copy of which is attached hereto as an exhibit to these minutes. She first reported on the progress of the

installation of fiber-optic network cable in areas of Stone Canyon and Fern Bluff by AT&T (the "Cable Project"). She stated that the fiber installation was complete and that AT&T was focusing on cleaning up and repairing areas of the District affected by the lines. She told the Board that AT&T had been very responsive to the District's concerns regarding water and sewer line repairs. She added that Mr. Alanis continued to work with the contractors to ensure that all the District's concerns were addressed.

Continuing her report, Ms. Miller stated that the Williamson County Road & Bridge (the "County R&B") would be performing extensive street repair on Rosebud Place in the District beginning on May 24, 2016. She stated that the construction was expected to take approximately two weeks and that County R&B was recommending that residents along Rosebud Place park off site to prevent possible damage to vehicles. Ms. Miller told the Board that letters had been sent out on behalf of the District to the residents along Rosebud informing them of the situation and County R&B's recommendations. She added that County R&B staff would be hanging door tags and sending out notices to the homeowners as well. A copy of the letter sent to District residents is attached hereto as an exhibit to these minutes.

Next, Ms. Miller reviewed an electronic mail message sent on behalf of the District to Williamson County (the "County") officials regarding the proposed bridge and road changes to Brushy Creek Road (the "Brushy Creek Project"). She noted that the electronic mail message listed questions and concerns of the District, and she added that no response had been received from the County, to date. Ms. Miller suggested that the District host a meeting to inform the residents most affected by the Brushy Creek Project about the proposed plan. Director Stempko suggested that the Roads Committee meet and discuss the issue, and the Board concurred. A copy of the electronic mail message, thus sent, is attached to these minutes as an exhibit.

Ms. Miller then reported on the status of the playground equipment at the parks located in the District. She recommended that the District begin a replacement program for the equipment. Director Teiber told the Board that the current equipment was between 14 and 20 years old. He added that all the playground equipment in both parks should be evaluated and a replacement plan created prioritizing the equipment to be replaced in the parks over the next few years. Director Teiber stated his belief that the Olson Meadows playground equipment should be replaced first, and he confirmed that the Parks Committee would discuss the issue and report its conclusions to the Board.

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.

Ms. Miller reminded the Board that the Water Pollution Abatement Plan for the new office addition at the District's Community Center had been submitted to the Texas Commission on Environmental Quality for approval, but that her office had not received any response from the Commission, 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 April was at 102% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 96% 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 were stopping a lot of persons not stopping at the stop signs in the District.

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
May 10 2016 Board of Directors Meeting

1. General Manager's Report;
2. Letter to the Residents along Rosebud Place regarding street repairs; and
3. Letter from the District to Williamsons County regarding the Brushy Creek/Great Oaks Bridge Project.

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