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

November 15, 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 November 15, 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, thus constituting a quorum. Also in attendance were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; Carson and Nanette Zahler, residents of the District; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge, the District's Attorney.

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

Director Savarese noted that Mr. Zahler was in attendance to observe the District's meeting as part of his Eagle Scout badge. The Board welcomed the Zahlers to the meeting.

The next item of business was approval of the monthly consent agenda. 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 of the October 11, 2016, regular Board of Directors meeting and the October 11, 2016, Certified Agenda of Executive Session; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs.

The Board then discussed amending the District's Park Rules and Regulations (the "Park Rules"). Ms. Miller explained that there had been recent requests by non-residents of the District to purchase key fobs allowing access to all of the Districts recreational facilities, including tennis courts and bathrooms. Ms. Miller reported that all of the District's parks, with the exception of two, were constructed using Texas Parks & Wildlife Department funds ("Park Funds"). She continued that use of Park Funds obligates the District to allow public access to these parks and park facilities. A lengthy discussion ensued regarding the use of the District's Parks and possible revisions to the Park Rules. Ms. Miller also informed the Board

that unleased dogs continued to be an issue at the District's Parks. The Board agreed that both issues should be taken up by the District's Parks Committee for further review.

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 a Hearing on the Merits before the State Office of Administrative Hearings (SOAH) on the LCRA's application was held during the past week. She continued that she had been in attendance, and she detailed the status of the proceedings with the Board.

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 presented a proposal from Ecosystems Landscaping Services for landscaping to be completed in conjunction with the District's office building addition and renovation. The Board reviewed the proposal as presented. No action was taken at this time. A copy of the proposal is attached hereto as an exhibit to these minutes.

Next, Ms. Miller reported that construction on the District's office building addition and renovation (the "Project") would begin November 21, 2016. She then recalled that the Board had approved costs for the kitchen renovation portion of the Project in the proposed amount of $70,000 [Alternate No. 3 to the proposal for the Project]. She continued that when the actual prices were obtained, the cost of the kitchen renovation came in at $72,038.36. She explained that the additional amounts were due to tiling in the kitchen area as well as the installation of a sliding door. Director Quillman questioned what would happen to old appliances removed from the kitchen. Ms. Miller responded that all functioning equipment would be reused at other District facilities or donated to area charities. After discussion, upon a motion by Direction Sabatino and seconded by Director Teiber, the Board voted unanimously to approve Alternate No. 3 to the Project in the total amount of $72,038.36. A copy of the amended contract for the Project is attached hereto and shall be considered an exhibit to these minutes.

Ms. Miller then presented for the Board's review an invoice for the Project from KAH Architecture & Interior Design ("KAH"), the District's architect for the Project. She explained that Keith Hickman of KAH would oversee construction of the Project the District's contractor. The Board questioned how often Mr. Hickman would be onsite to inspect the status of the Project, and Ms. Miller stated her understanding that Mr. Hickman would inspect the Project worksite weekly. After discussion, the Board directed Ms. Miller to request that Mr. Hickman provide written confirmation that KAH would meet with the District's General Manager once per week for the duration of the Project as well as inspect the District's worksite at least once per week. A copy of the invoice from KAH, as presented, is attached to these minutes and shall be considered an exhibit.

Continuing her report, Ms. Miller stated that Central Texas Refuse, Inc. ("Central Refuse"), the District's solid waste collector, had submitted a new Solid Waste Collection, Recycling & Disposal Agreement for the Board's consideration. She distributed Central Refuse's proposed contract to the Board for review, a copy of which is attached hereto. No action was taken on this matter.

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, Director Teiber gave the Security Committee Report. He reported that a Sheriff's Deputy patrolling the District had noticed a youth fishing at one of the District's ponds and contacted the youth's parent. Director Teiber continued that the Deputy made it clear to the parent that there was "no fishing" in the District's ponds.

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
November 15, 2016, Board of Directors Meeting

1. District Packet;
2. Proposal from EcoSystems;
3. Amended Contract Documents from KAH Architecture for the Project;
4. Invoice from KAH Architecture for the Project; and
5. Solid Waste Contract from Central Refuse.