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

October 11, 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 October 11, 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 Sabatino, thus constituting a quorum. Also in attendance were Janey Miller, the District's General Manager; Hector Alanis, the District's Operation's Manager; Nickie Brereton of ECO Systems Landscaping Services ("ECO") and Morgan Johnson and Georgia Canfield 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 there were no residents present who wished to address the Board.

The first item of business was approval of the monthly consent agenda. Director Savarese asked whether there were any items to be removed from the Consent Agenda and, as there were none, Director Teiber moved that the Board approve the Consent Agenda as presented and Director Quillman seconded the motion. Upon being placed to a vote, all Directors voted to approve the minutes from the September 12, 2016, regular meeting and September 26, 2016, special meeting, payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs.

Next, Director Savarese announced that the Board would discuss the agenda item regarding "New Business" later in the meeting and asked for reports on the status of the Williamson County road and bridge improvements. Ms. Miller stated that she had no new information regarding the Great Oaks Drive/Brushy Creek Road intersections and bridge replacement or on the widening of Brushy Creek Road and Hairy Man Road. She reported that work on the Creekbend extension had begun again and that curbing and decorative walls would be installed. She reported that the completion date for this project is early 2017.

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, stating that the discovery process is ongoing and that she planned to review public comments on the proposed segments of the line that would have a negative impact on District property.

Ms. Brereton of ECO then presented the landscape maintenance report. She reported that irrigation would be decreased by 30%, and she explained that cooler weather causes plants to go dormant, thus requiring less water. She also reported that later in the fall, ECO would apply pre-emergent and fertilizer to the District's green spaces and parks. Continuing, Ms. Brereton stated that in mid-November ECO will refresh the mulch and plant new flowers where needed. Ms. Miller requested that Ms. Brereton provide a list of flowers ECO planned to plant, and Ms. Brereton agreed. Ms. Brereton went on to discuss the need for a landscape design for the area around the new addition to the Community Center. Ms. Miller explained that the new road will highlight the back of the building and that they can discuss the landscape design after the road is completed. The Board discussed the possible removal of several Cypress trees at the back of the District's property. The Board authorized Ms. Miller to investigate the cost of tree removal.

At this time Director Sabatino arrived.

Director Savarese noted that the Board's November meeting is scheduled for November 8, 2016, which date is Election Day. He stated that because the Community Center is a polling location, there may not be space available for the meeting. The Board agreed to move the meeting to November 15th.

Next, Director Saverese announced that the Board would discuss Agenda Item No. 7. The first item of New Business was consideration of Alternate No. 3 to the proposal for the District's office building addition and renovation (the "Project") as submitted by Fazzone Construction ("Fazzone"). Ms. Miller reported that the redesign was complete and that the contractor had begun the process of obtaining prices for the Project. She noted that the new design would make the kitchen more functional. She said that the Fazzone had provided insurance and bonds for the Project, which were reviewed by the District's Attorney. A memorandum from McGinnis Lochridge regarding the bonds and insurance submitted by Fazzone was submitted to the Board for review. Ms. Miller continued that the contract still needed to be finalized, and she stated that she planned to meet with the architect and construction superintendent at 2:00 p.m. on October 12, 2016, to discuss details of the Project. After discussion, upon a motion by Director Savarese to approve Alternate No. 3 to the proposal for the Project in an amount not to exceed $70,000 and seconded by Director Teiber, the Board voted unanimously to approve the Alternate No. 3 as presented.

The next item for consideration was staff salaries. At 6:35 p.m. Director Savarese announced that the Board would go into executive session pursuant to V.T.C.A. Government Code Section 551.074 in order to discuss District personnel matters. At this time, Ms. Miller and Mr. Alanis left the meeting. At 6:42 p.m., Director Savarese announced that the Board would reconvene and that no decisions or actions were taken during the executive session. Upon motion by Director Quillman, seconded by Director Savarese, the Board voted unanimously to provide all staff members with a 4% annual salary increase.

Next, Ms. Miller stated that before beginning her General Manager's Report, she would like to thank the Board for the salary increase, and she added that she is honored to work for them. Ms. Miller then reported that she had spoken to the District's Auditor about assuring transparency in the District's budget, especially with regard to the expenditures on the renovation project. She said that she recommended separate line items in the audit for these expenses.

Continuing her report, Ms. Miller stated that the playground structure at Olson Meadows Park in the District would need to be replaced and that she was recommending providing two separate playgrounds, one for toddlers and another for older children. She said she would provide a proposal at the next Board meeting. She went on to discuss the temporary arrangements for the District's office during the Project and the need for rented storage units.

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.

Ms. Miller then informed the Board that the new video cameras at the District's parks had been installed. She distributed a photograph of someone throwing a basketball at a camera at Fern Bluff Park, breaking the camera's housing. After a lengthy discussion of how to proceed against this act of vandalism, the Board directed Ms. Miller to post a notice at the District's parks, describing the incident and asking residents to provide any information they might have.

Next, Director Teiber gave the Security Committee Report, stating that the Sheriff's Deputies have been aggressively monitoring speeding and that it is working.

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
October 11, 2016, Board of Directors Meeting

1. District Packet