MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
August 13, 2019

THE STATE OF TEXAS §
WILLIAMSON COUNTY §

The Board of Directors (the "**Board**") of the Fern Bluff Municipal Utility District (the "**District**") convened in a **regular** meeting open to the public at 6:00 p.m. on August 13, 2019, 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:

George Sabatino	President
Joseph Teiber	Vice President
Jessica Stempko	Secretary
Kevin Barnes	Treasurer
Marc Smith	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; Jack Gardner, of Texas Lawn and Garden, LLC, the District's landscaper, and Zachariah Evans and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("**McGinnis**").

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

The Board then considered approval of the monthly consent agenda containing the minutes of the July 17, 2019, regular Board of Directors meeting; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Barnes, the Board voted unanimously to approve the Consent Agenda, including the minutes of the July 17, 2019, regular Board of Directors meetings, as written.

Mr. Gardner next presented the Landscaping Report. He reported that regular maintenance was ongoing, but that there are some problem areas in the grass irrigation system, to wit: some kind of fungus. He reported that after identifying the problem areas a fungicide was applied. Mr. Gardner went on to report that an irrigation system check will be performed soon. He said that he is now able to identify problem areas, and will come up with a proposal for the spring to mitigate those problems early on. He stated that

mulch has been applied to all required areas. Mr. Gardner reported that work is complete on the Butterfly Garden and that he has received a lot of positive feedback from the community. He stated that they are working on erosion control projects along Brightwater Boulevard. Mr. Gardner added that in mid-September, when weather is cooler, he will apply pre-emergent and fertilizer to the areas where it is needed. With school starting on the following Thursday, Mr. Gardner stated he would have a safety meeting with his crew. Ms. Miller requested that Brightwater Park and Fern Bluff Park not have irrigation running while children are traveling to school.

The Board next considered the status of pending Williamson County (the "**County**") road and bridge projects. Ms. Miller brought to the Board's attention a letter from Williamson County Precinct 1 Commissioner, Terry Cook, in response to the District's letter to Commissioner Cook regarding various District concerns. Ms. Miller stated she was appreciative of the response. Mr. Evans informed the Board that he is still waiting for the County to provide the quitclaim deed and property descriptions needed to finalize the interlocal agreement between the District the County.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She indicated that construction traffic from the Sauls Ranch development is using the District's community center parking lot as a turnaround point, which is problematic due to the fact that the parking lot is not rated to handle heavy loads and/or commercial vehicles. Ms. Miller stated she brought the matter to the attention of the City of Round Rock and the Williamson County Sheriff's Office and that she had Mr. Evans send cease and desist letters to the developers. Due to the ongoing construction traffic, Ms. Miller stated that the Board may want to consider reinstalling gates at the parking lot entrances. She stated she would research the costs of different gate installment options. Director Barnes stated his belief that it would be best to install gates at all three entrances to the parking lot.

Mr. Alanis next presented the Operations Report for the Board. He reported that he had completed the preventative maintenance on the pump stations within the District.

The Board next discussed the ad hoc committee appointed by the Board at the previous meeting for the purpose of reviewing and providing recommendations to the Board regarding implementation of the District's rule enforcement procedures, as drafted by Mr. Evans. Director Sabatino indicated that the ad hoc committee had nothing to report.

The Board next considered the engagement of Donald L. Allman, CPA, for preparation of the District's annual audit for the fiscal year ending September 30, 2019. After discussion, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to enter into the agreement at a total cost to the District of $11,000.

The Board next considered a memorandum from McGinnis Lochridge, regarding their billing rates. Mr. Evans explained that the firm had not requested an increase in rates

since 2013 and that McGinnis Lochridge keeps its rates as competitive as possible. After a brief discussion, upon a motion duly made by Director Sabatino and seconded by Director Teiber, the Board voted unanimously to approve the rate increase for McGinnis, as requested.

Next, the Board considered the draft budget and tax rate for the fiscal year ending September 30, 2020. Ms. Miller stated that the District was lowering the tax rate and that there would not be an increase in water rates this year. Ms. Miller indicated that the District would impose a stormwater drainage fee, which fee would be included on the District's utility billing. She also pointed out that the proposed budget provides for a two percent pay increase for District employees and a 2 percent increase to the District's retirement contribution for District employees. After discussion, upon a motion duly made by Director Barnes and seconded by Director Stempko, the Board voted unanimously to: (1) approve the proposed tax rate of $0.2500 per $100 of assessed valuation for the purpose of operations and maintenance; and (2) approve the proposed tax rate of $0.1500 per $100 of assessed valuation for the purpose of debt service, for a total proposed tax rate of $0.4000 per $100 of assessed valuation. Then, upon a motion duly made Director Barnes and seconded by Director Teiber, the Board voted unanimously to adopt the budget for the fiscal year ending September 30, 2020, as presented.

Director Sabatino then motioned to call the District's public hearing on the 2019 proposed tax rate for September 10, 2019. Director Barnes seconded the motion, and the motion passed with all Directors voting in favor of the motion. The Board then discussed the publication of the notice of hearing on the proposed 2019 tax rate and upon a motion duly made by Director Sabatino and seconded by Director Teiber, the Board voted unanimously to authorize publication of the public notice of the tax hearing in The Round Rock Leader, as in previous years.

Next, the Board considered an ORDER ADOPTING RECORDS MANAGEMENT PLAN AND APPOINTING RECORDS MANAGEMENT OFFICER (the "**Order**"). Ms. McCalla reported that the Order supersedes all previous records management policies of the District and adopts certain records control schedules issued by the Texas State Library and Archives Commission. She noted that the Order also designates the legal assistant to the District's Attorney as the Records Management Officer for the District. Ms. McCalla stated that a copy of the Order would be filed with the Texas State Library and Archives Commission, as required. After consideration, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to approve the Order as presented. A copy of the Order is included in the Board Packet, attached hereto, and shall be considered an exhibit to these minutes.

The next item of business before the Board was A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT, ADOPTING EMAIL POLICY; PROVIDING FINDINGS OF FACT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR OPEN MEETING (the "**Resolution**"). Mr. Evans reviewed the provisions of the Resolution with the Board. Mr. Evans indicated

that he attempted to apply the most practical and easily applied methods of protecting and preserving communications between the Directors. Ms. Miller indicated that she had established an email address for open records requests and that any emails that the Directors are storing on their personal devices may be sent to the open records email address in order to preserve them. Upon a motion duly made Director Smith and seconded by Director Barnes, the Board voted unanimously to approve the Resolution, as presented. A copy of the Resolution is included in the Board Packet and attached hereto.

Director Teiber next informed the Board that Security Committee did not have anything significant to report.

Mr. Evans then updated the Board on the status of the following lawsuits: Fern Bluff Municipal Utility District v Demetria Castillo-Woolf, Gregory Esquivel; and Samantha Castillo and Fern Bluff Municipal Utility District v Michael and Alison Snyder. No action was taken on these items.

The Board then discussed the date of the District's next regular Board of Directors meeting. After discussion, the Board decided that the District's next regular meeting would be held at 6:00 p.m. on September 10, 2019.

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
August 13, 2019, Board of Directors Meeting

1. Board Packet.