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

June 11, 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 June 11, 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 ("**Texas Lawn**"); Sarah Teale; Linda Fabre; and Zac Evans and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("**McGinnis**").

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

The Board then considered approval of the monthly consent agenda containing the minutes of the May 14, 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 Smith, the Board voted unanimously to approve the Consent Agenda, including the minutes of the May 14, 2019, regular Board of Directors meetings, as written.

Mr. Gardner next presented the Landscaping Report. He reported that Texas Lawn was working additional hours to ensure that the District was adequately mowed and weeded following the large amounts of recent rainfall. He continued that construction of the District's Butterfly Garden was in progress, and he added that the project should be complete by the end of next week. Mr. Gardner stated that after completion of the Butterfly Garden, Texas Lawn would begin mulching throughout the District's gardens, and he added that the mulching should not take more than two weeks to complete. Director Sabatino stated that the District's

parks and green spaces looked excellent and thanked Texas Lawn for all the work done throughout the District. Mr. Gardner thanked the Board and departed the meeting.

The next item of business before the Board was a AN ORDER OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT, AMENDING POLICIES GOVERNING USE OF THE DISTRICT'S COMMUNITY CENTER; PROVIDING FINDINGS OF FACT; PROVIDING PENALTIES UP TO $1,000 PER VIOLATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE (the "**Order**"). Mr. Evans reviewed the Order with the Board. Ms. Miller noted several items to be included in the Order. After discussion, upon a motion duly made by Director Barnes and seconded by Director Teiber, the Board voted unanimously to approve the Order as revised. A copy of the Order is included in the Board Packet, which packet is attached hereto as an exhibit.

Ms. Miller next recalled that the District had approved a resolution to amend TexPool authorized representatives at the May Board meeting; however, because a specific item was not listed on the May agenda, the Board would need to ratify its actions. After a brief discussion, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to ratify and approve the TexPool resolution, as presented at the May Board of Directors meeting. A copy of the TexPool resolution is included in the Board Packet.

The Board next discussed the recent theft of water within the District. Director Sabatino reminded the Board that a resident had called in an incident regarding theft of the District's water and that Mr. Alanis had investigated the issue and determined that persons with a company offering pressure-washing services in the District had connected their truck to a District fire hydrant and were siphoning the water into the truck. Director Sabatino continued that Mr. Alanis had confronted the persons and called the Williamson County Sheriff's Office. Of particular concern, Director Sabatino emphasized, was that the persons did not utilize a backflow prevention device to protect the District's potable water supplies from contamination or pollution due to backflow. He questioned what steps the Board could take to prosecute the persons responsible for the water theft and to prevent future theft of water within the District. Mr. Evans responded that he had researched options available to the Board regarding enforcement of the District's orders, and he reviewed the options with the Board. The Board questioned the merits of following up with the Williamson County Sheriff's Office (the "**Sheriff's Office**") regarding the issue. Ms. Miller stated that she had contacted the environmental officer with the Constable's Office and that he was in contact with the Texas Commission on Environmental Quality. She suggested that a change in the current law regarding tampering with a water system should be considered. Mr. Evans noted that the Association of Water Board Directors – Texas (AWBD) would be an organization that could help with a change in the law. He also suggested providing the Sheriff's Office with additional information regarding the District's authority to enforce its rules, and the Board concurred. No additional action was taken on this issue at this time.

Ms. Miller next updated the Board on the status of the improvements to the Great Oaks Drive/Brushy Creek Road intersections, including bridge replacement (the "**Great Oaks Project**") and the improvements and/or the widening of the Brushy Creek/Hairy Man Road intersections (the "**Hairy Man Project**") (collectively the "**Projects**") by Williamson County

(the "**County**"). She distributed for the Board's review the County's current plans for the Projects along with a draft Interlocal Agreement. She stated that the County planned to begin the Hairy Man Project this summer and the Great Oaks Project in late 2019. Ms. Miller continued that the County was finalizing its design, environmental and right-of-way acquisitions for the Hairy Man Project and was 90% complete on the design for the Great Oaks Project. A copy of the plans and interlocal agreement for the Projects is attached hereto as an exhibit.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She first reported that some furniture was illegally dumped at the Community Center office on Memorial Day and that new security cameras with night vision would be installed to prevent future issues.

Continuing her report, Ms. Miller stated that the United States Postal Service apparently experienced delivery issues in May. She explained that her office received numerous complaints from customers who had paid their utility bills early but the checks did not arrive at the District Office until late May. She noted that there were also some articles in the Austin American Statesman regarding the issue, which appears to have been resolved.

Mr. Alanis next presented the Operations Report for the Board. He stated that the District's Consumer Confidence Report was complete and would go out to the District residents prior to the July 1, 2019, deadline, as required.

Mr. Alanis then reviewed with the Board a bid tabulation of proposals for a new sound system for the Community Center. After discussion upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to purchase the sound system from Audio-Visual Consultations, Inc., at a total cost to the District of $29,780, subject to receipt of an executed addendum and completion of other required forms. A copy of the bid tabulation is attached hereto as an exhibit to these minutes.

Next, Mr. Evans updated the Board on the status of the deed restriction violations at 8307 Priest River Drive. The Board noted that although they had extended the time frame for the homeowners at 8307 Priest River Drive to come into compliance with the District's deed restrictions, the homeowners remained in violation of the deed restrictions. After discussion, the Board determined that filing a lawsuit at this time was necessary to sustain the taxable values within the District. Upon a motion duly made by Director Barnes and seconded by Director Smith, the Board voted unanimously to authorize the District's Attorney to file a lawsuit against the homeowners at 8307 Priest River Drive.

Mr. Evans then presented a memorandum to the Board on enforcement of subdivision deed restriction and District Rules. He explained that the Board could adopt an order making all violations of the District's deed restrictions a violation of the District's Rules and thus subject to any penalties and provisions detailed in the Rules. After discussion, the Board authorized the District's Attorney to draft an order as detailed above for consideration by the Board.

Director Teiber next 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 Sheriff's Office. He stated that the Sheriff's Office patrols were mostly routine, with the officers citing many vehicles for traffic violations.

Director Smith reported that he would work with the District's landscaper on a community article regarding the type of landscaping that grows best in this area for distribution on the District's website.

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

Mr. Evans also updated the Board on recent bills passed during the 86th Legislative Session.

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 June 11, 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
June 11, 2019, Board of Directors Meeting

1. Board Packet;
2. Plans and draft Interlocal Agreement with Williamson County for the Projects; and
3. Bid Tabulation for Community Center Sound System.