MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
July 17, 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 July 17, 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, except Director Smith, thus constituting a quorum.

Also in attendance, were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; Whit Friend, P.E., Project Manager for the Williamson County Road Bond Program; Terry Cook, Williamson County Precinct One Commissioner; and Zac Evans and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("**McGinnis**").

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

The Board then considered approval of the monthly consent agenda containing the minutes of the June 11, 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. Ms. Miller noted two changes to the Profit and Loss Budget Performance chart included in the Board Packet, a copy of which is attached to these minutes as an exhibit. 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 June 11, 2019, regular Board of Directors meetings, as written.

Ms. Miller next introduced Mr. Friend and Ms. Cook to those present. She explained that Mr. Friend was present to update 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 revised interlocal agreement (the "**Agreement**"). Mr. Friend then detailed the time line for the construction of the Projects with Board. In response to a question from the Board, Mr. Friend stated that the County planned to preserve as many existing trees as possible during the construction of the Projects. Mr. Friend noted that some of the District's water lines and wastewater lines would be relocated during the construction of the Projects, which relocation would be at the expense of the County.

Director Barnes then questioned the impacts of the Great Oaks Project on the nature trail running through the area, and Mr. Friend responded that the nature trail would be relocated in areas where the construction of the road would impact nature trail. He added that he did not anticipate that the relocation of the nature trails would be required. Mr. Evans pointed out that the County still needed to provide the quitclaim deed referenced in the proposed Agreement along with the metes and bounds descriptions of the property to be conveyed to the County. Mr. Friend confirmed that the County was in the process of obtaining the metes and bounds descriptions and would provide the needed documents when available. After discussion, upon a motion duly made by Director Barnes and seconded by Director Stempko, the Board voted unanimously to approve the Agreement with the County for the Projects, subject to receipt of requested documents and final review and approval of the Agreement by the District's Attorney. A copy of the Agreement is included in the Board Packet.

The Board then presented Ms. Cook with a letter from the Board detailing various issues of concern within the District. The Board thanked Ms. Cook for her attendance at the meeting and invited her to attend the District's September Board of Directors meeting. Mr. Friend and Ms. Cook thanked the Board for their time 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; ESTABLISHING VIOLATIONS OF CERTAIN DEED RESTRICTIONS AS VIOLATIONS OF DISTRICT RULES; ESTABLISHING VIOLATIONS OF STATE LAW AS VIOLATIONS OF DISTRICT RULES; PROVIDING FINDINGS OF FACT; PROVIDING PENALTIES UP TO $10,000.00 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. After discussion, upon a motion duly made by Director Barnes and seconded by Director Sabatino, the Board voted unanimously to appoint an ad hoc committee consisting of Directors Barnes and Sabatino, to examine the District's rules and enforcement procedures. No action was taken on the Order. A copy of the proposed Order is included in the Board Packet, which packet is attached hereto as an exhibit.

Next, Ms. Miller provided the Landscaping Report. She stated that the work on the Butterfly Garden by Texas Lawn and Garden, LLC, the District's Landscaper ("**Texas**

Lawn"), was complete and that Texas Lawn was in the process of installing informational signs for the plants located in the garden. She added that her office had received a lot of positive comments on the Butterfly Garden from District residents.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She stated that the District's Consumer Confidence Report ("**CCR**") went out with the June utility billings, as required. A copy of the CCR, thus sent, is included in the Board Packet.

Mr. Alanis next presented the Operations Report for the Board. He reported that the District's lead and copper sampling was almost complete and that the District had received the last of the required samples. He added that the samples would now be sent to the Lower Colorado River Authority's laboratory for testing.

Director Teiber updated the Board on the activities of the Parks and Recreation Committee. He stated that he continued to receive positive feedback from residents on all of the landscaping changes within the District's Parks.

At this point, Director Teiber departed the meeting.

Next, the Board entered into executive session at 7:21 p.m., pursuant to V.T.C.A. Governmental Code, 551.071 to receive the attorney's advice on Item 10(g)(i) as listed on the agenda. At 7:35 p.m., Director Sabatino announced that the Board would reconvene and that no decisions or actions were taken during the executive session.

Director Sabatino reported that during executive session the Board had sought the advice of the District's Attorney regarding 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, upon a motion duly made by Director Sabatino and seconded by Director Barnes, the Board voted unanimously to move forward with filing a lawsuit, as previously authorized.

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.

Next, Mr. Evans reviewed with the Board a memorandum detailing certain bills passed during the 86th Legislative Session. He noted that Senate Bill 944 requires current and former officers and employees of a governmental entity to act as "temporary custodians" of information that is related to their official work or duties. He continued that directors are required to maintain such information pursuant to the District's Records Management Policy and are prohibited from deleting the information in violation of the policy, even if the information is maintained on a personal device. After discussion, the

Board directed the District's Attorney to include an item on the District's August agenda regarding a policy on Board member communications for discussion and possible action.

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 August 13, 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
July 17, 2019, Board of Directors Meeting

1. Board Packet;
2. Plans and Interlocal Agreement with Williamson County for the Projects; and