MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
October 8, 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 October 8, 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; Jack Gardner, of Texas Lawn and Garden, LLC, ("**Texas Lawn**") the District's landscaper; Michael Snyder, a resident of the District; and Zachariah T. Evans and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("**McGinnis**").

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

Director Sabatino noted that a resident was present who wished to address the Board. Mr. Snyder first presented the Board with written comments. Then he told the Board that he did not understand the reason a lawsuit was filed against him by the District. He stated his belief that he was progressing on the renovations to his home as expected, and he pointed out that the renovations were now complete. Mr. Snyder apologized for the time that it took him to complete the renovations. After additional comments, Mr. Snyder thanked the Board for their time and departed the meeting.

The Board then considered approval of the monthly consent agenda containing the minutes of the September 10, 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 Stempko, the Board voted unanimously to

approve the Consent Agenda, including the minutes of the September 10, 2019, regular Board of Directors meetings, as written.

Mr. Gardner next presented the Landscaping Report. He reported that regular maintenance was ongoing and routine. He stated that Texas Lawn was in the process of maintaining areas in the District's greenbelts. Mr. Gardner noted that irrigation throughout the District had decreased due to the cooler, wetter weather. Ms. Miller pointed out that Texas Lawn had placed large boulders along the edge of the Community Center property to prevent large trucks from the Sauls Ranch development from making turnarounds on the District's property and tearing up the landscaping. Mr. Gardner finished his report by stating that the District's soccer field was graded and filled with dirt and would be hydro seeded in the upcoming week. The Board then thanked Mr. Gardener for his report, and he departed the meeting.

The next item of business before the Board was A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT, ADOPTING SOCIAL MEDIA AND CONSTITUENT COMMUNICATIONS POLICIES; PROVIDING FINDINGS OF FACT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR OPEN MEETING (the "**Resolution**"). Mr. Evans detailed the provisions of the Resolution with the Board. He explained that the Resolution authorizes the District's General Manager to engage people on social media sites to correct inaccuracies and post factual information.

The Board then entered into executive session at 6:33 p.m., pursuant to V.T.C.A. Government Code, Chapter 551.071, to receive the Attorney's advice on pending litigation with Michael and Alison Snyder, as listed as Agenda Item No 11(b) on the District's agenda. The Board reconvened in open session at 7:11 p.m. Director Sabatino reported that no decisions were made and no votes taken on the items discussed in executive session.

The Board then continued discussion on the Resolution presented earlier in the meeting. After a brief review, upon a motion duly made by Director Barnes and seconded by Director Teiber, the Board voted unanimously to approve the Resolution, as presented. A copy of the Resolution, thus approved, is included in the Board Packet, a copy of which is attached to these minutes as an exhibit.

The Board next discussed the request to the District from Oncor Electric Delivery Company LLC ("**Oncor**") that the District provide Oncor an easement and right-of-way across District property to install an electrical line to serve the Sauls Ranch property. Ms. Miller detailed the exact location of the proposed easement and right-of-way and explained that Oncor had started digging on the District's property prior to any notification to the District. She added that she had forwarded the easement and right-of-way documents to the District's Attorney for review. Mr. Evans reported that he had reviewed the documents and that the language in the documents was insufficient and encumbered the District's property with no proposed benefit to the District. He added that he was recommending that the Board not approve the proposed easement and right-of-way from

Oncor. After discussion, upon a motion duly made by Director Stempko and seconded by Director Barnes, the Board voted unanimously not to approve the easement or right-of-way to Oncor. Director Sabatino questioned Oncor's tactics to allow personnel to start digging prior to obtaining any approvals from the District. He stated his belief that Oncor should find an alternate route to install their electrical lines, and the Board concurred.

At this point Director Stempko departed the meeting.

Ms. Miller then reported that the District was in receipt of the deeds associated with the improvements by Williamson County (the "**County**") to Great Oaks Drive/Brushy Creek Road intersections and bridge replacement (the "**Great Oaks Project**"). She continued that the District's Engineer and Attorney were working together to finalize the Interlocal Agreement exhibits. Mr. Evans stated that he had reviewed the language in the deeds and that no issues were found. He added that after the District's Engineer has completed his assessment and provided his approvals, the District's General Manager would be able to finalize the Interlocal Agreement and send it to 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 told the Board that, in general, every year in August and September a District customers' water billing tends to increase significantly. She continued that because this past August and September were exceedingly hot and dry, water bills sent out to residents were higher than in previous years. Ms. Miller stated that her office works diligently to educate the residents regarding the nature of the water bills as well as the process for reading a resident's individual water meter. She explained that every month, District staff drive the District and individually read all the meters. Ms. Miller continued that she then enters all the readings into the computer to be sent to the billing company. She said that her office also does quality control checks monthly and that if any one resident's billing has increased by more than 30%, staff will then re-read the meter. If the meter reading is correct, and the reading still shows unusually high usage for a resident, Ms. Miller told the Board that she personally calls the resident or sends them an email informing the resident of their unusually high usage. After a question from the Board, Ms. Miller confirmed that the District does not use any averaging for its water billing and that any increase in a resident's irrigation times can cause a significant increase in the water bill. She made clear that her staff takes customer calls during office hours and that it was her belief that having an in-District office was a huge benefit to residents, allowing customers local access to discuss District issues. Ms. Miller said that the District's office staff was always willing to review a bill with a customer to help them understand the process by which the final amount on the bill was reached.

Ms. Miller then reported that the City of Round Rock (the "**City**") had sent a letter to the District explaining that the City was beginning development of a road extension at Wyoming Springs from Brightwater Boulevard to Sam Bass Road and was seeking access to District property to obtain surveying data. Ms. Miller suggested that the District schedule a Town Hall meeting to update District residents on the road construction activities in and around the District. Director Teiber responded that the County usually

hosted these types of meetings. After discussion, Ms. Miller stated she would research the issue to determine the best way to move forward.

Mr. Alanis then presented the Operations Report for the Board. He reported that the District recently had a water line leak on Chesapeake Bay Lane South. He stated that the District's maintenance crew was able to locate and repair the line in under six hours due to the District's leak detection equipment and backhoe. Mr. Alanis noted, however, that ONE CALL had taken over a week to respond to the utility locate request required for the District to excavate the area and repair the leak. He added that the street around the leak would be repaired by the end of next week.

Ms. Miller then reviewed pictures of the District's butterfly garden with the Board, copies of which are included in the Board Packet.

The Board next considered proposals from Texas Materials Group, Inc., ("**Texas**") for the construction of a storage building to house the District's equipment as well as repairs to the Fern Bluff water tower in the amounts of $14,203.10 and $11,820.61, respectively. After review, upon motion made by Director Barnes and seconded by Director Sabatino the Board voted unanimously to approve the two proposals from Texas at a total cost to the District of $26,023.71. Copies of both proposals are attached hereto and shall be considered exhibits to these minutes.

Director Teiber then 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 Williamson County Sheriff's Office (the "**Sheriff's Office**"). He noted that the Sheriff's Office was issuing a number of traffic violations on Fern Bluff Drive and Wyoming Springs during school hours. He added that the Sheriff's Office patrols were having a positive impact on reducing speeds in those areas.

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 November 12, 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
October 8, 2019, Board of Directors Meeting

1. Board Packet; and
2. Proposals from Texas Materials Group, Inc.