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

February 11, 2020

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 February 11, 2020, 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; Don Allman, CPA, PC, the District's Auditor; 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 Smith led those present in the Pledge of Allegiance.

Director Sabatino noted that there were no persons present who wished to address the Board.

The Board then considered approval of the monthly consent agenda containing the minutes of the January 14, 2020, 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 January 14, 2020, regular Board of Directors meeting, as written.

The Board then discussed the May 2, 2020, Directors Election (the "**Election**"). Ms. McCalla explained that pursuant to Section 31.123 of the Texas Election Code, the District was authorized to appoint an authorized agent for all purposes of the Election. She explained that the District's Agent was: (1) responsible to maintain and make available for

inspection all Election documents received during the Election; and (2) required to be available for Election duties for at least three hours each day, during regular office hours, on regular business days, beginning on March 13, 2020, and ending no earlier than June 11, 2020. Ms. McCalla continued that McGinnis, as the District's agent for the Election, would maintain the mandatory office hours for the District.

Next, the Board considered AN ORDER BY THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT CALLING A DIRECTORS ELECTION TO BE HELD WITHIN SAID DISTRICT; PROVIDING FOR THE CONDUCT AND THE GIVING OF NOTICE OF SAID ELECTION; CONTAINING PROVISIONS NECESSARY AND INCIDENTAL TO THE PURPOSES HEREOF; PROVIDING FOR AN OPEN MEETING (the "**Election Order**"). Ms. McCalla explained that the deadline for submission of an application for a position on the District's ballot was 5:00 p.m. on February 14, 2020, and that three positions were up for reelection. She continued that if the District did not receive more than three applications for the Election, then the Board could cancel the Election at its March Board meeting. After review, upon a motion duly made by Director Barnes and seconded by Director Stempko, the Board voted unanimously to: (1) adopt the Election Order, subject to any revisions to the polling locations made by Williamson County (the "**County**"); and (2) appoint McGinnis as the District's Agent for the Election. A copy of the Election Order is attached to these minutes as an exhibit.

Next, Mr. Allman submitted the draft of the audit report for the District for the fiscal year ended September 30, 2019. He reviewed the Statement of Net Position and Revenues and Expenses, Expenditures, and Changes in Fund Balances. Mr. Allman reviewed the supporting data included in the audit report, including information required by the Texas Commission on Environmental Quality (the "**Commission**").

Mr. Allman then called the Board's attention to the form of the Management Representation Letter from the District's General Manager, attached to the Governance Letter. Mr. Allman reported that he was issuing an unmodified opinion, which was the highest opinion the District can receive.

Ms. McCalla then explained the requirement for the District to file the audit report with the Commission and with the Texas Comptroller of Public Accounts as well as certain other governmental agencies. After consideration, upon a motion duly made by Director Smith and seconded by Director Teiber, the Board voted unanimously to: (1) approve the audit report, as presented; and (2) authorize the District's Attorney to file the audit report in the District's office and with all governmental agencies as required. A copy of the audit report, thus approved, is filed in the permanent records of the District.

Mr. Evans then reported on House Bill 3834, passed during the 86th Texas Legislative Session. He explained that the new law requires local government officials and employees to annually complete a state-approved cybersecurity training course by June 30, 2020. Mr. Evans continued that the law provides governing bodies with the authority to "select a cybersecurity training program certified by the Department of Information Resources ("**DIR**"). Mr. Evans stated that he was in the process of obtaining

the DIR certification, which would allow him to provide the required training. He added that additional DIR training options were available if preferred by the Board.

Ms. Miller then discussed the improvements by the County to the Great Oaks Drive/Brushy Creek Road intersection, including bridge replacement (the "**Great Oaks Project**"). Ms. Miller stated that the Great Oaks Project was moving forward and that she and Director Stempko had attended a meeting with the County. She said that the meeting was held to update residents and local entities on the status of the Great Oaks Project. Ms. Miller told the Board that the County was working to minimize tree removal during the Great Oaks Project and planned to start work no later than April 2020. Ms. Miller then reported that the County had delayed moving major water lines in the area as part of the Great Oaks Project. She added her understanding that the County expects to begin moving the water lines late February or early March 2020. She also noted that the County plans to do "bat exclusion" on the existing bridge to prevent the bats from returning to the area.

Ms. Miller next updated the Board on the status of the improvements and/or the widening by the County of Brushy Creek Road and Hairy Man Road (the "**Project**"). Ms. Miller stated that during the construction of the Project, Hairy Man Road would be closed for a period of time and that Creekbend Boulevard and Brightwater Boulevard would be used as the detour routes.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She reported that the Commission had conducted a Comprehensive Compliance Investigation ("**CCI**") of the District this date. She explained that the CCI included a records review, a physical inspection of the District's water system, as well as disinfectant and water sampling. She told the Board that the District received a report that "no deficiencies" were detected. Ms. Miller expressed her appreciation to Mr. Alanis for all his hard work to ensure that the District's facilities were well maintained and were in regulatory compliance. The Board thanked Ms. Miller and Mr. Alanis for their efforts in the management of the District facilities.

Continuing her report, Ms. Miller stated that her office continues to work through issues with the District's new billing software by AVR, Inc. ("**AVR**"), the District's utility billing and collection company. Ms. Miller said that the issues were not unexpected and that her office was working with AVR to resolve the issues. She added that the issues were not affecting District customers.

Next, Mr. Alanis reviewed the District's water loss report as included in the Board Packet. He noted that the District's water accountability for the month of January was at 93% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 97% of water pumped versus water distributed.

Director Smith then questioned the need to flush the District's fire hydrants. Mr. Alanis responded that the flushing of fire hydrants was a controlled procedure that was vital to the general maintenance of the District's water distribution system. He explained that the process ensures water quality and is required by the Commission. Director Smith suggested that this information be included on the District's website to keep District residents informed of the process, and the Board concurred.

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 stated that the patrols by the Sheriff's Office, during the past month were routine. Director Smith stated his understanding that there were three car burglaries on Oak Brook over the last couple of days. Director Teiber responded that he would have the Sheriff's Office increase patrols in that area.

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 February 11, 2020.

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
February 11, 2020, Board of Directors Meeting

1. Board Packet.