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

August 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 August 11, 2020, via teleconference and videoconference in compliance with an advisory issued by the Office of the Governor, 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 or joining during the meeting, 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; and Zachariah T. Evans and Suzanne McCalla of McGinnis Lochridge, the District's Attorney ("**McGinnis**"). Several members of the public were also present during the meeting.

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

Director Sabatino noted that no residents were present who wished to address the Board at this time.

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

At this point Director Smith joined the meeting.

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, 2020. After discussion, upon a motion duly made by Director Sabatino and seconded by Director Teiber, the Board voted unanimously to enter into the agreement at a total cost to the District of $11,000.

The Board next reviewed a memorandum from McGinnis on changes affecting the District as a result of the passage of Senate Bill 2 ("**SB 2**") (86th Legislative Session). A copy of the memorandum is included in the Board Packet; which packet is attached hereto as an exhibit to these minutes.

The Board then discussed A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT: DESIGNATING AN AGENT TO ENTER INFORMATION INTO APPRAISAL DISTRICT DATABASE; PROVIDING FINDINGS OF FACT; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE (the "**Resolution**"). Ms. McCalla explained that under SB 2 the governing body of each taxing unit must designate an agent to enter certain information electronically into the Williamson County property tax database. She continued that the Resolution was drafted designating the District's General Manager as the person responsible for entering the information into the database. After discussion, 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 is included in the Board Packet.

Next, the Board considered the draft budget and tax rate for the fiscal year ending September 30, 2021. Director Barnes reviewed the draft budget with the Board, and he noted that the District had paid off its bond indebtedness as of May 2020, and as a result, planned to lower its total tax rate. He also pointed out that the District currently maintained a 10.5-month operating reserve. After discussion, upon a motion duly made Director Sabatino and seconded by Director Barnes., the Board voted unanimously to adopt the budget for the fiscal year ending September 30, 2021, as presented. The motion carried with it the approval of A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT, ADOPTING DISTRICT BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021; PROVIDING FINDINGS OF FACT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR OPEN MEETING (the "**Budget Resolution**"). A copy of the Budget Resolution is included in the Board Packet.

The Board next discussed the District's proposed tax rate. After consideration, upon a motion duly made by Director Barnes and seconded by Director Smith, the Board voted unanimously to: (1) approve the proposed tax rate of $0.2790 per $100 of assessed valuation for the purpose of operations and maintenance; and (2) approve the proposed tax rate of $0.0 per $100 of assessed valuation for the purpose of debt service, for a total proposed tax rate of $0.2790 per $100 of assessed valuation.

Director Barnes then motioned to call the District's public hearing on the 2020 proposed tax rate for September 8, 2020. Director Smith 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 2020 tax rate and upon a motion duly made by Director Sabatino and seconded by Director Stempko, the Board voted unanimously to authorize publication of the public notice of the tax hearing in The Round Rock Leader, as in previous years.

Mr. Gardner next presented the Landscaper's Report. He stated that weekly maintenance of the District's parks and greenspaces was routine, and he updated the Board on various projects throughout the District. Mr. Gardner then reviewed two proposals with the Board. Ms. Miller noted that she had solicited bids for the projects from other landscapers, but Texas Lawn remained the lowest bid. She also pointed out that both proposals were within the District's budgeted amounts for parks renovations. After review, upon a motion duly made by Director Teiber and seconded by Director Stempko, the Board voted unanimously to: (1) approve proposal for the Brightwater Trail Head to create gardens along the sidewalk and amend existing irrigation to support the new gardens at a cost to the District of $33,500; and (2) approve proposal to create additional gardens on the other side of the pollinator garden on Brightwater Trail at a cost to the District of $43,775.00. Copies of both proposals are included in the Board Packet.

Director Sabatino then questioned the status of trees in and around the District. Mr. Gardner responded that the Bradford Pear trees were dying and would need to be removed. He added that a program of planting new trees within the District prior to the removal of older, dying trees was preferable, and the Board agreed.

Next, Ms. Miller reported that the City of Round Rock (the "**City**") planned to host its Open House on the Wyoming Springs Extension Project on September 1, 2020, at the Fern Bluff Community Center as well as virtually via the internet. Ms. Miller stated that she was working with the City to ensure that protocols for social distancing were in place.

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 due to the increasing number of Covid-19 cases in the area and the state requirements, the District was still not accepting reservations at the Fern Bluff Community Center (the "**Community Center**") at this time. She told the Board that hiring cleaning crews to clean after events remained challenging due to the sporadic need for cleanings. She reminded the Board that the restrooms in the District Parks remained closed due to the stringent sanitation requirements as a result of the pandemic, and she added that the District's tennis courts and playscapes were now open. Ms. Miller stated that all District operations were proceeding as normal, including all water and wastewater testing and reporting, as required.

Ms. Miller next requested that an item be added to the District's September agenda to discuss amending 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**").

Ms. Miller then discussed the improvements by Williamson County (the "County") to the Great Oaks Drive/Brushy Creek Road intersection, including bridge replacement (the "**Great Oaks Project**"). Ms. Miller explained that during the process of changing out the water lines for the Great Oak Project, it was discovered that water was coming into the District's water system from the Brushy Creek Municipal Utility District system. She explained that neither district was previously aware of the connection and were unable to determine how or where the water was entering the District's system. Ms. Miller stated that in order to find the location of the interconnect, the water line to Oak Brook may have to be shut down for a few hours. Ms. Miller added that she hoped to have the issue resolved by the September Board of Directors meeting.

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 July was at 136% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months remained at 101% of water pumped versus water distributed.

Ms. Miller presented the Community Center report, and stated that the District was planning to open the Community Center on September 1, 2020, on a limited basis. She reviewed cleaning protocols planned for the reopening with the Board. Ms. Miller noted that the decrease in Community Center revenues was accounted for in the District's recently approved budget.

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 patrols were ongoing with 23 patrols [totaling 90 hours] during the past month by the Sheriff's Office. He added that one officer had assisted with a domestic disturbance.

Director Smith then presented the Communications Report. He updated the Board on the various communications planned for the District.

Mr. Evans next informed the Board that the filing of bills for the next legislative session would begin on November 9, 2020. He noted that if the District was interested in changes to the laws affecting municipal utility districts, now is the time to discuss the issues. The Board noted that changes to the Texas Pollutant Discharge Elimination System [TPDES] General Stormwater Permit for Phase II Small Municipal Separate Storm Sewer Systems [MS4] process would be helpful.

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 8, 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
August 11, 2020, Board of Directors Meeting

1. Board Packet.