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

September 8, 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 September 8, 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, except Directors Stempko and Barnes, 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; Brian Schmidt, 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**"). A member of the public was also present during the meeting.

Director Sabatino called the meeting to order, after which Director Smith 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 August 11, 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 Smith, the Board voted unanimously to approve the Consent Agenda, including the minutes of the August 11, 2020, regular Board of Directors meeting, as written.

Mr. Schmidt 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. Schmidt told the Board that the perennials in the parks were pruned and that the irrigation check of the District's irrigation system was

completed this date. He added that he would provide the final irrigation reports to the District's General Manager.

Continuing his report, Mr. Schmidt stated that the large Red Oak tree in the Oak Brook Green Belt was removed and that Texas Lawn would tour the remainder of the District's greenbelt areas to ensure no additional maintenance was required.

At this point Director Stempko joined the meeting.

Mr. Schmidt next reported that the Phase II butterfly garden at Cheatham Park would be completed before the Board of Directors next regular meeting.

After a question from Director Smith, Mr. Schmidt responded that the wildflower areas would be repopulated after the completion of the Brightwater Trailhead project. Ms. Miller then reported to the Board that the Bradford Pear trees along Pagosa Springs within the District were removed and replaced with native trees.

At this point Director Barnes joined the meeting.

Director Sabatino next convened the public hearing for consideration of the 2020 tax rate for the District. Ms. McCalla confirmed that the Notice of Public Hearing on Tax Rate was published in the Round Rock Leader, as required, and she informed the Board that a copy of the Affidavit of Publication is included in the records of the District. Director Sabatino observed that there were no persons present who wished to address the Board concerning the tax rate, and he closed the public hearing. After consideration, upon a motion duly made by Director Barnes and seconded by Director Teiber, the Board voted unanimously to: (1) set the debt service tax rate at $0.00 per $100 of assessed valuation; (2) set the tax rate for maintenance and operations at $0.2790 per $100 of assessed valuation, for a total tax rate of $0.2790 per $100 of assessed valuation; and (3) adopt the AN ORDER OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT: LEVYING TAXES, PROVIDING FINDINGS OF FACT, PROVIDING FOR OPEN MEETING (the "**Order Levying Taxes**"). A copy of the Order Levying Taxes is filed among the District's records. Director Sabatino congratulated the Board on doing their part to help the District become debt free.

Next, Ms. McCalla explained that the Board needed to adopt an Amendment to the District's Information Form whenever any information in the Information Form was changed, including the annual setting of the District's tax rate. She explained that the amendment would be filed with the Texas Commission on Environmental Quality, in the Official Public Records of Williamson County, and in the offices of McGinnis Lochridge. After review, upon a motion duly made by Director Smith and seconded by Director Teiber, the Board voted unanimously to approve Amendment No. 40 to the District's Information Form and to authorize filing of same as outlined. A copy of Amendment No. 40, thus approved, is filed among the District's records.

The next item before the Board was to authorize financial and property tax updates to the District's website pursuant to Senate Bill 2 ("**SB2**") (86th Legislative Session). Mr. Evans reminded the Board that pursuant to certain provisions within SB2, the District was required

to “maintain an internet website or have access to a generally accessible internet website” for the purpose of posting certain financial information. He explained that the action before the Board at this time was to authorize the District’s General Manager to update the District’s financial and property tax information on the District’s website, as required. After review, upon a motion duly made by Director Smith and seconded by Director Teiber, the Board voted unanimously to authorize the District’s General Manager to update the financial and property tax updates to the District’s website, as required.

The Board next considered renewal of 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**”) for after-hour patrols (the “**Security Agreement**”). Director Teiber pointed out that the Security Agreement increased the hourly rate per Off-Duty Officer from $40.00 to $50.00 per hour. He also noted that the Sheriff’s Office had not requested a rate increase in over four years. Director Smith questioned if a higher increase should be approved. After discussion, the Board agreed to consider increasing the District’s 2022 budgeted amount for security services to include an hourly increase to $50.00 per hour. After further review, upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to approve the Security Agreement, as presented. A copy of the Security Agreement, is filed among the District’s records.

The Board next discussed implementing District rules enforcement procedures. After consideration, the Board agreed to take the matter up at the District’s next regularly scheduled Board meeting.

Ms. Miller updated the Board on the status of improvements by Williamson County to the Great Oaks Drive/Brushy Creek Road intersection, including bridge replacement (the “**Great Oaks Project**”). She stated that she had not received any new information on the Great Oaks Project since the District’s August Board of Directors meeting.

Ms. Miller then presented to the Board for consideration an Easement and Right of Way Agreement between the District and Oncor Electric Delivery Company LLC (the “**Easement**”). After review, upon a motion duly made by Director Teiber and seconded by Director Barnes, the Board voted unanimously to approve the Easement, as presented. A copy of the Easement is included in the Board Packet.

At this point Director Barnes departed the meeting.

Next, Ms. Miller presented the General Manager’s Report in its entirety, a copy of which is included in the Board Packet. She reminded the Board that due to the increasing number of COVID-19 cases in the area and the State’s requirements, the District was still not accepting reservations at the Fern Bluff Community Center (the “**Community Center**”) at this time, and the restrooms in the District Parks remained closed as well. The Board briefly discussed opening the Community Center. She added that all District operations were proceeding as normal, including all water and wastewater testing and reporting, as required.

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 August was at 99%

of water pumped versus water distributed. He added that the District's water accountability for the past 12 months remained at 103% of water pumped versus water distributed. Mr. Alanis then stated that winterization process begun at the District's Pump Station. He also noted that winterization of the District's facilities would begin in the near future and that all preventive maintenance was completed at the District's pump station.

Ms. Miller then reported that the District planned remove the Bradford Pear trees within the District and replace them with native trees (the "**Tree Replacement Project**"). She explained that the Bradford Pear trees were ending their life cycle and could pose a safety hazard to the public if not removed. She further explained that the Tree Replacement Project would consist of planting the native trees first and then removing the Bradford Pear trees. She estimated the costs of the Tree Replacement Project to be $60,000 and added that she planned to solicit proposals for the Tree Replacement Project for review by the Board at its next Board meeting.

Ms. Miller next reported on current and ongoing Deed violations within the District. She reported on two properties that were currently in violation of the District's deed restrictions. She recommended both properties be submitted to the District's Attorney for further action, and the Board agreed.

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 Sheriff's Office. Director Teiber stated that he had received the August 2020 patrol reports just prior to today's meeting and that he would review the reports within the next few days.

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 October 13, 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.