MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT
January 14, 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 January 14, 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; Brian Schmidt, of Texas Lawn and Garden, LLC, ("**Texas Lawn**") the District's landscaper; and Zachariah T. Evans, Jennifer E. Salazar, 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 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 December 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 December 10, 2019, regular Board of Directors meeting, as written.

Mr. Schmidt next presented the Landscaping Report. He reported that the recently approved renovations at the District's parks were completed this date. He stated that Texas Lawn would install the plantings for the areas in March, after the threat of freezing

temperatures. Mr. Schmidt told the Board that Texas Lawn had added crushed granite to the District's trails and continued to bag and remove leaves. He also reported that Texas Lawn would begin cutting back ornamental grasses the first week of February and cutting back rosebushes the second week of February. He pointed out that Texas Lawn had provided two proposals for consideration by the Board: (1) proposal to replace the playscape mulch at all of the District's parks; and (2) proposal to create a butterfly garden at Cheatham Park. Director Sabatino questioned if any new vandalism was discovered within the District's parks, and Mr. Schmidt responded that some irrigation valve covers were taken from the irrigation system in Cheatham Park. Director Barnes noted that bags of mulch appeared to have been left overnight in the area of Veterans Park, and Mr. Schmidt stated he would look into the issue. Mr. Schmidt then thanked the Board for their time and departed the meeting.

Next, Ms. McCalla reminded the Board that Senate Bill 1812 (passed during the 84th Texas Legislative Session) requires any entity with eminent domain authority to log on to the Texas Comptroller of Public Accounts (the "**Comptroller**") website annually to report specific information to the Comptroller for posting. Ms. McCalla continued that the District is required to submit this information by February 1 of each year. She continued that failure to comply with these requirements may result in a penalty of up to $2,000 for each notification from the Comptroller and would result in the entity being listed on a list of non-complying entities. She pointed out that failure to comply would not, however, affect the District's authority to exercise its eminent domain authority. After a brief discussion, upon a motion duly made by Director Barnes and seconded by Director Teiber, the Board voted unanimously to authorize the District's Attorney to complete the District's eminent domain filing, as required.

The Board next discussed provisions included within Senate Bill 2 ("**SB2**"), passed during the 86th Texas Legislative Session, regarding the requirement that taxing units "maintain an internet website or have access to a generally accessible internet website" for the purpose of posting certain financial information as detailed in SB2. Mr. Evans explained that he had provided the information to the District's General Manager who planned to include the information on the District's website.

Next, the Board considered the need to conduct the annual review of the District's Investment Policy and Investment Strategies pursuant to the requirements of the Texas Public Funds Investment Act. Ms. McCalla summarized the requirement for the annual review of the Investment Policy and Investment Strategies. She said that the District's Investment Policy and Investment Strategies were fairly general but very conservative and complied with the requirements of the Texas Public Funds Investment Act. Ms. McCalla noted that the Investment Policy listed the District's General Manager as the District's investment officer. Ms. Miller stated that she was not recommending any changes to the Investment Policy at this time. The Board also reviewed the updated list of brokers authorized to handle investments of the District. After further review, the Board decided that no changes were required in the District's Investment Policy and Investment Strategies at this time. Therefore, upon a motion duly made by Director Sabatino and

seconded by Director Smith, the Board voted unanimously to adopt the RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUF MUNICIPAL UTILITY DISTRICT; AFFIRMING INVESTMENT POLICY FOR FERN BLUFF MUNICIPAL UTILITY DISTRICT; ADOPTING A LIST OF QUALIFIED BROKERS; PROVIDING FINDINGS OF FACT; PROVIDING FOR OPEN MEETING (the "**Investment Resolution**"). A copy of the Investment Resolution, thus approved, is included in the Board Packet and attached hereto.

The Board then discussed the District's Identity Theft Prevention Program (the "**Program**") that was first adopted April 13, 2009 and became effective on 1 May 2009. Ms. Miller recalled that the Program was revised in 2016 to list the District as the Program Administrator and the District's General Manager as the person responsible for carrying out the program and taking responsive steps when a "red flag" is detected. She added that the Program was required to be reviewed annually by the Board. Ms. Miller reported that her office had implemented procedures and controls that provide the security of accounts as required under the Program and under the Identity Theft Rules adopted by the Federal Trade Commission pursuant to the Fair and Accurate Credit Transactions Act of 2003. She continued that no "red flags" had been raised during the past year and that all of the procedures were working smoothly. After discussion, upon a motion duly made by Director Stempko and seconded by Director Teiber, the Board voted unanimously to approve the report on the Program, as presented.

The next item of business before the Board was the District's May 2, 2020, Directors Election (the "**Election**"). The Board noted that Directors Teiber, Sabatino, and Smith were up for reelection. Ms. McCalla stated that February 14, 2020, was the deadline to submit an application for a place on the ballot for the Election.

The Board next conducted an annual review of the District's Attorney. The Board stated their appreciation for the work performed during the past year by McGinnis. Director Smith said that he appreciated the communication provided to the Board by the District's Attorney during the time between meetings. Director Sabatino added that the District relies on the District's Attorney to ensure that the Board remains in compliance with all applicable laws and regulations and that he believed that the District's Attorney had done a great job.

Ms. Miller next updated the Board on the status of the improvements and/or the widening by Williamson County of Brushy Creek Road and Hairy Man Road (the "**Project**"). Ms. Miller stated that the Project was moving forward and that she would continue to keep the Board updated on the progress. She added that the Project may begin as early as this spring.

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 holiday season, although busy, went well at the District's Community Center. She told the Board that on New Year's Eve, a group of youth were setting off fireworks at the basketball courts in Fern Bluff Park,

but that when she explained that this was not allowed, the youths cleaned up the debris, apologized, and left the area. She emphasized that all the youths involved were very respectful.

Continuing her report, she stated that her office was in the second full month of updates to the District's billing software by AVR, Inc. ("**AVR**"), the District's utility billing and collection company. Ms. Miller explained that staff had experienced some issues with billing, autopay, and meter entry and that her office continued work with AVR to resolve the issues.

Ms. Miller next stated that there had been some issues with persons fishing in the District's ponds and that additional signs may need to be installed in the area.

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 December was at 109% 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.

Mr. Alanis then reported that the District's Storm Water Management Program ("**SWMP**"), required as part of the District's compliance with the Texas Commission on Environmental Quality's (the "**Commission**") Texas Pollutant Discharge Elimination System [TPDES] General Stormwater Permit for Phase II Small Municipal Separate Storm Sewer Systems [MS4] (the "**Permit**") had been informally approved by the Commission. He added that the next step in the process would be to publish the required notification of the District's intent to renew its Permit. He also pointed out that the District's annual report for the first year of SWMP compliance under the Permit was required to be submitted to the Commission by March 30, 2020.

The Board then considered the two proposals from Texas Lawn, as discussed earlier in the meeting. After a brief discussion, upon a motion duly made by Director Teiber and seconded by Director Smith, the Board voted unanimously to approve both proposals as submitted. Ms. Miller noted that costs for the proposals were included in within the District's budget for the fiscal year ending September 30, 2020. Copies of the proposals are included in the Board Packet.

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 Sheriff's Office, in addition to their normal patrols, also patrolled other areas of the District during the past month in order to talk with residents. He added that the Sheriff's Office had made detained several vehicles for failure to stop at stop signs.

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
January 14, 2020, Board of Directors Meeting

1. Board Packet.