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

March 9, 2021

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 March 9, 2021, 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.

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 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.

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

Mr. Gardner next presented the Landscaping Report. He stated that routine weekly maintenance was ongoing throughout the District, and he noted that all the District's trails were "touched up" with decomposed granite. Mr. Gardner continued that District residents likely had a lot of questions regarding the cleanup in the District subsequent to the recent snow and ice storm. He confirmed that Texas Lawn crews had been out in the District since the Saturday following the storm removing debris in District parks and green spaces. Mr. Gardner added that cleanup would continue until complete. He noted that Texas Lawn would be submitting a bid for review by the Board to remove and mulch the remainder of the trees in the District's green belts. He then reported that the "cut back" of all the perennial shrubs had taken place and the spring annual color "change up" was slated to occur the week of March 15, 2021. Mr. Gardner then detailed the schedule for application within the District of pre-emergent fertilizer. After a question from Ms. Miller, Mr. Gardner responded that trees that lost limbs or had limbs removed as a result of the storm did not need to be sealed due to the cold weather. After further discussion, Mr. Gardner thanked the Board for their time, and he departed the meeting.

Director Sabatino then noted that there was a resident present who wished to address the Board at this time.

Mr. Yoram Givon updated those present on the status of amendments to deed restrictions by District residents. He stated that due to a death in his immediate family, there was a delay in revising the deed restrictions, but that he still planned to continue working on the revisions.

The Board then considered approval of the monthly consent agenda containing the minutes of the February 9, 2021, 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 February 9, 2021, regular Board of Directors meeting, as written.

The Board reviewed options for a new deed restriction management company. Ms. Miller reported that, to date, she had only received a proposal for deed restriction enforcement from Sage Management Services. She then detailed the pros and cons of Sage Management Services versus the District's current deed restriction management company, Connect Community Management, LLC. After discussion, the Board directed the District's Deed Restriction Committee to review the District's options for deed restriction management and to provide the Board its recommendation at the District's April Board of Directors meeting.

The Board next discussed the requirement that local government officials and employees annually complete a state-approved cybersecurity training course by June 15, 2021. Ms. McCalla stated that the Board was provided a memorandum from McGinnis, detailing how to obtain the training online and providing for a certification reflecting completion of the training. Ms. McCalla added that all Directors would need to submit the training certification to McGinnis before McGinnis could certify with the Texas Department of Information Resources that the District was in compliance. The Board requested that the item remain on the District's agenda until all Directors and employees have completed the training and provided their certification to McGinnis.

Mr. Evans then discussed with the Board the status of McGinnis' maintenance of the District's records. He explained that because McGinnis plans to move from its current office to new offices, the amount of "on site" storage for District records was limited. He presented the Board with two options regarding the future maintenance and storage of the District's records. He reminded the Board that currently the majority of the District's records were maintained at Iron Mountain offsite storage, with only recent records maintained at McGinnis. He then detailed the costs of Option 1 stating that this option would continue the District's storage of its records at Iron Mountain and would provide that all records currently stored at McGinnis be moved to Iron Mountain. Mr. Evans next detailed the costs of Option 2, which would provide for the digitization of all the District's

records required to be maintained pursuant to the Texas Local Government Records Act and subsequent destruction of the physical copies of the records after digitization. After discussion, upon a motion duly made by Director Barnes and seconded by Director Smith, the Board voted unanimously to choose Option 2. After additional discussion, the Board requested that an estimate of costs for the approved digitization of District records be presented to the Board for review at its April Board meeting.

Next, Ms. Miller detailed the status of the improvements and/or widening of Brushy Creek Road and Hairy Man Road (the "**Hairy Man Project**"). She stated that the Hairy Man Project had begun and that portions of the road were down to one lane during certain times of the day. She added that she expected that the reduction to one lane would continue going forward until completion of the road.

Director Sabatino noted that Williamson County (the "**County**") had not completed the installation of traffic and pedestrian signals at the three intersections of O'Connor Drive. Ms. Miller reported that it appeared that the County was having significant issues with the project. She added that she would update the Board with any information provided by the County when recieved.

Next, Ms. Miller presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet and attached hereto. She stated that the recent snow and ice event had dramatic effects on utilities throughout Texas, but that the Stone Canyon and Fern Bluff neighborhoods in the District were fortunate to never have lost electricity or gas during the storm, and the Oak Brook neighborhood had power the majority of the time. She added that the District never lost water and never had to issue a "boil water" notice. She pointed out that District staff performed above and beyond, both before the storm with winterization of the District's facilities and during the storm by keeping the District operating as needed and responding to resident's needs. She also stated that the City of Round Rock's (the "**City**") Utility Department did an outstanding job during the extreme conditions and protected all their customers during the storm event. She noted that a "storm story" was posted on the City's website, and she encouraged those present to visit the website and watch the story.

Continuing her report, she reported that several of the District's customers had experienced residential line breaks as a result of the of frozen pipes. She stated that her office was currently working with 61 customers that incurred damage due to the breaks in their pipes. She then stated that the District would drop the February usage amounts during the storm as part of the winter averaging for wastewater rates. She told the Board that her office had assessed the overall use by customers to determine the increase in water usage during the storm due to dripping faucets and that it appears that the increase in water usage will result in an average increase to customer water bills of around $7.00.

The Board then discussed possible compensation and/or credits to those persons who had experienced water line breaks due to frozen pipes. A lengthy discussion ensued. Several motions were put forward, but were subsequently withdrawn. After consideration,

upon a motion duly made by Director Smith and seconded by Director Barnes, the Board voted unanimously to: (1) provide a credit on overage amounts, using wholesale water rates, on the March utility billing for those homes submitting documentation of a residential line breakage; (2) authorize the overages amounts and breakages to be reviewed and certified by the District's General Manager; and (3) authorize submission of the documentation of a residential line breakage for eight weeks from the meeting date. Director Sabatino noted that this policy was consistent with policies adopted in the past regarding water utility billing issues.

Mr. Alanis then 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 February was at 88% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 105% of water pumped versus water distributed. He also reported that work on the District's Year 2 Annual Report in compliance with the District's TPDES Phase II MS4 General Permit as well as work on Risk and Resilience Assessment in compliance with the American Waterworks Infrastructure Act of 2018 [AWIA] were in progress, and would be completed timely.

Mr. Alanis next reported that as a result of the storm, several cracks had appeared in the parking lot at the Fern Bluff Community Center (the "**Community Center**"). He stated that he had scheduled a contractor to come out to the District to inspect the parking lot to determine what repairs, if any, are needed.

The next item of business before the Board was the status of the reopening of the Community Center. Ms. Miller reported that she had received a few requests for rental of the Community Center and questioned the Board's mask policy preference. After discussion, the Board authorized the District's General Manager to continue to determine the mask policy for use of the Community Center.

At this point Director Teiber departed the meeting.

Director Barnes then presented for the Board's review A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT; RECOGNIZING THE EFFORTS OF DISTRICT EMPLOYEES DURING THE TIME OF CRISIS KNOWN AS WINTER STORM URI; PROVIDING FINDINGS OF FACT; PROVIDING FOR OPEN MEETING (the "**Resolution**"). He explained that the District's employees had done an exemplary job for the District and its residents during the recent storm, and that each staff member should be recognized for their outstanding contribution and efforts. He then motioned that the District's budget for the fiscal year ending September 30, 2021, be amended to include a line item of $4,000.00 to allow the District to offer bonuses to employees in the future for exemplary behavior. Director Smith seconded the motion, which motion passed unanimously. Next, Director Barnes motioned to approve the Resolution, as presented. Director Stempko seconded the motion. The motion passed with all Directors voting in favor of the motion. A copy of the Resolution is attached hereto as an exhibit to these minutes.

The Board then entered into executive session at 7:45 p.m., pursuant to V.T.C.A. Government Code, Chapter 551.071, to receive the Mr. Evan's advice on Agenda Item No. 10(g)(i) as listed on the District's agenda. The Board reconvened in open session at 8:01 p.m. Director Sabatino reported that no decisions were made and no votes taken on the items discussed in executive session.

Director Barnes then recommended that the Board delay appointment of members to the Architectural Control Committee until March 31, 2021, to allow any residents to submit their interest in serving on the committee to the District, and the Board agreed. The Board decided that interested applicants should be in residents in good standing with the District, with preference given to those with a financial background and/or from the Fern Bluff neighborhood.

Ms. Miller 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. She noted that patrols within the District were lower than normal due to the recent snow and ice storm.

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 April 13, 2021.

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
March 9, 2021, Board of Directors Meeting

1. A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT; RECOGNIZING THE EFFORTS OF DISTRICT EMPLOYEES DURING THE TIME OF CRISIS KNOWN AS WINTER STORM URI; PROVIDING FINDINGS OF FACT; PROVIDING FOR OPEN MEETING; and

2. Board Packet.