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

June 8, 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 **June 8, 2021**, 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.

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 Smith led those present in the Pledge of Allegiance.

Director Sabatino then noted that there were no residents present who wished to address the Board during the Citizen Communications portion of the meeting.

The Board then considered approval of the monthly consent agenda containing the minutes of the May 11, 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. Ms. Miller presented an updated Cash Report detailing additional checks that were received after the Board Packet was prepared. 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 with the revised Cash Report and the minutes of the May 11, 2021, regular Board of Directors meeting, as written.

Ms. McCalla next noted that she had received a cybersecurity certification verifying completion of the annual state-approved cybersecurity training course from all Directors and all employees and would certify with the Texas Department of Information Resources that the District was in compliance, as required.

Next, Ms. Miller reported on the status of the extension of Wyoming Springs Drive from Creek Bend Boulevard to Old Settler's Boulevard (the "**Extension Project**") by the City of Round Rock (the "**City**"). She stated that a meeting was held among herself, Mr. Alanis, representatives from the City, and representatives from Halff Associates, the engineer for the Extension Project, to discuss utility line move requirements, right-of-way acquisition needs, and proposed drainage and recreational use easements. She then reviewed the location of the project on a map of the area. Ms. Miller continued that the Extension Project was still in the design phase, but that the City has indicated that it is expecting to bid the project in May 2022. She added that a public meeting would be held by the City at the Fern Bluff Community Center on June 22, 2021, to answer questions about the Extension Project. She encouraged any interested persons to attend.

Ms. Miller then 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 was nearing completion of the drainage, retaining walls, and new parking lots at Olson Meadows Park. She pointed out that weather was a delaying factor but that work on the project would move to the Hairy Man portion of the road in mid to late June and that road closures in the area should be expected.

Mr. Gardner then presented the Landscaping Report. He stated that routine weekly maintenance was ongoing throughout the District and that Texas Lawn continues to work on clean up in the District on issues resulting from the February snow and ice storm. He stated that the last round of pre-emergent and fertilizer was installed and post-emergent would be installed after the rain subsides. He added that ant mounds are treated as needed. Mr. Gardner told the Board that Texas Lawn was behind on cleanup of the District's green belts but that extra time has been scheduled in the District to clean up these areas during drier weather. He added that flower bed repopulations throughout the District were complete as well as all irrigation repairs. Mr. Gardner finished up his report stating that mulching of the District's landscaping would begin next week with aeration of the District's sports fields to be completed by the end of June. After a brief discussion, the Board thanked Mr. Gardner for his time, and he departed the meeting.

Ms. Miller then presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet and attached hereto. She emphasized that the recent hail and numerous thunderstorms within the District have had a dramatic effect on the trees in the District. She stated that several trees were completely uprooted and large, mature trees have lost large limbs. She noted that a large oak tree in Olson Meadows Park split in two and would have to be removed.

Continuing her report, she stated that she had calculated the effect that a general homestead exemption would have on the District's overall budget and had provided the information to the Board. She also said that the District's billing and software company was changing its credit card processing company and that new credit card information would need to be collected from those customers of the District that paid their utility billing on line automatically. Ms. Miller explained that the old credit card information would be

deleted and customers would need to input the new information into the system between July 1 and July 23, 2021. Information about the change and the requirement for updated information would be provided to all affected customers, she added.

Mr. Alanis then provided the Operations Report. He first 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 May was at 88% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 104% of water pumped versus water distributed. He next reported that work on the District's Water Quality Report was complete and was mailed out in the District's May utility billing.

Continuing his report, Mr. Alanis stated that the District's sound system at the Fern Bluff Community System was not working as intended and that a new system would be ordered. He noted that due to "supply chain issues", the new system may take up to three or four weeks for delivery.

Director Barnes next presented the Budget Committee Report. He reviewed the District's year-to-date budgeted amounts versus actual amounts and noted that most items were under budget, to date.

The next item of business before the Board was consideration of a RESOLUTION OF FERN BLUFF MUNICIPAL UTILITY DISTRICT CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION; PROVIDING FINDINGS OF FACT; PROVIDING FOR OPEN MEETINGS (the "**Resolution**"). Director Barnes explained that the Budget Committee had reviewed the numbers calculated by Ms. Miller regarding the effect of a general homestead exemption on the District's overall budget. Director Barnes then motioned to approve the Resolution with a $25,000 over sixty-five or disabled exemption and a $10,000 general homestead exemption, with the amounts to be reviewed each year. Director Stempko seconded the motion. Director Smith questioned if the reduction in tax revenue would affect District operations, and Ms. Miller confirmed it would not negatively impact the District. After additional discussion, upon being put to a vote, the motion passed unanimously. A copy of the Resolution, thus adopted, is maintained with the District's records.

The next item of business before the Board was the status of the reopening of the Community Center. Ms. Miller reported that her office was now taking reservations for the Community Center for small groups.

Director Stempko next provided the Deed Restriction Committee Report. She stated that the Deed Restriction Committee had met to discuss the fine policy for deed restriction enforcement. She reminded the Board that it had voted to remove the penalty provisions from the District's Deed Restriction Enforcement Order until the Deed Restriction Committee could meet and determine a fine policy for the Board to review. She stated that the Deed Restriction Committee reviewed the fine policies of other entities and discussed the policy at length with the goal to keep the policy simple and easy to

understand as well as to encourage compliance. She continued that the policy was designed to be flexible to allow for extenuating circumstances while protecting the property values of the residents. Director Stempko next detailed the recommended fine policy for consideration by the Board. A lengthy discussion then ensued. Mr. Evans stated that his office would incorporate the requested provisions and fines into an Order adopting a Deed Restriction Violation Policy for the Board's review at the District's July Board of Directors meeting.

Director Stempko next reported that the Architectural Control Committee (the "**ACC**") had met and had assembled a list of what is considered "unsightly." She reviewed the list with the Board and noted that the list was able to be amended in the future by the ACC to provide for possible future conditions and circumstances. She asked that the list be included on the agenda for review at the District's July Board of Directors meeting.

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. He stated that 76 patrol hours were logged in by patrol officers for the month of May. He noted that these patrols were routine patrols of the District's parks and residential streets from the hours of 5:00 a.m. to 9:00 p.m.

Mr. Evans next provided an update on the bills discussed during the recent Texas Legislative Session. He noted that the session ended May 31, 2021, and that his office was in the process of assembling a memorandum detailing the bills that affect water districts for review and discussion by the Board in July.

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 July 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
June 8, 2021, Board of Directors Meeting

1. Board Packet.