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

August 10, 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 **August 10, 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 residents present who wished to address the Board during the Citizen Communications portion of the meeting. He noted that Citizen Communications would be taken up after the District's Landscaping Report.

Mr. Gardner then presented the Landscaping Report. He stated Texas Lawn was in the process of cleaning up the green spaces within the District. He noted that the frequent rains were encouraging significant undergrowth. He continued that all previously approved tree work within the District was completed and that Texas Lawn continued to work with the Texas A&M AgriLife Extension Service regarding the trees within the District that were damaged due to Winter Storm Uri. Mr. Gardner then stated that his team would begin cutting back perennials next week in preparation for the fall. He also noted that minor irrigation issues were discovered and repaired. Ms. Miller pointed out that her office had received a complimentary email from a person visiting the District's butterfly garden, who stated that the District's parks were "outstanding." Director Smith reminded Mr. Gardner that the District planned to put a list of the plants included in the butterfly garden on the District's website. Mr. Gardner confirmed that the would gather the information on the plants and provide it to the Board.

The Board next heard Citizen Comments. First, Ms. Trennah Dishongh addressed the Board regarding two issues: questions remaining unanswered by the Board and a typographical error on the District's Order Prohibiting Violations of Deed Restrictions. Ms. McCalla noted that she would correct the Order accordingly.

Next, Mr. Nick Stewart spoke. He detailed his issues with the current deed restrictions in place as well as the Board's recent actions.

Finally, the Board heard from Mr. Yoram Givon who requested that the Board require masks at all Board meeting or hold its meetings virtually.

The Board then considered approval of the monthly consent agenda containing the minutes of the July 13, 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 Smith, the Board voted unanimously to approve the Consent Agenda, including the July 13, 2021, regular Board of Directors meetings minutes, as written.

Next, the Board considered the draft budget and tax rate for the fiscal year ending September 30, 2022. Director Barnes reviewed the draft budget with the Board, and he reminded those present that the District had paid off its bond indebtedness as of May 2020, and, as a result, had lowered its total tax rate last year. He then noted that the budget was drafted with the idea to again lower the District's overall tax rate in lieu of a general homestead exemption. Director Barnes pointed out that the line item for budgeted salary amounts for District employees included a 3% raise for all employees, except for the District's Operations Manager and the District's General Manager. He continued that the Operations Manager's budgeted raise was 5% and that Ms. Miller had requested that she not receive a raise this year as she would likely be taking a significant amount of days offs due to a serious illness in her family. Ms. Miller also pointed out that the proposed budget included the increased utility rates as a result of the City of Round Rock's increase in its rates charged to the District. She then reviewed the proposed changes in utility rates. She stated that the increased rates would increase the average utility billing for a resident by approximately $1.83 a month. Director Stempko then questioned if the proposed budget included funds to hire additional staff if necessary, and Ms. Miller responded in the affirmative. After discussion, upon a motion duly made by Director Barnes and seconded by Director Stempko, the Board voted unanimously to adopt the budget for the fiscal year ending September 30, 2022, 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, 2022; 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 $0.2500 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 $0.2500 per $100 of assessed valuation.

Director Smith then motioned to call the District's public hearing on the 2021 proposed tax rate for September 14, 2021. Director Barnes 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 2021 tax rate and upon a motion duly made by Director Sabatino and seconded by Director Barnes, the Board voted unanimously to authorize publication of the public notice of the tax hearing in The Round Rock Leader, as in previous years.

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, 2021. After discussion, upon a motion duly made by Director Smith and seconded by Director Stempko, the Board voted unanimously to enter into the agreement at a total cost to the District of $11,000, the same as for the previous year.

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 the Brushy Creek section of the road was nearly complete and that the Olson Meadows Park driveways and parking lot were nearing completion. She added that the Hairy Man section of the Hairy Man Project was still under construction and that the roadway would be closed during the week.

Ms. Miller then presented the General Manager's Report in its entirety, a copy of which is included in the Board Packet. She reported that the District's parks and greenbelts were in great shape. She stated that the District planned to continue the "clean-up" of the storm damaged trees and downed limbs throughout the District. Ms. Miller noted that in many areas, residents were disposing of personal limbs and shrubs directly into the greenbelt, so the clean-up in those areas was challenging. She added that the repairs to the Olson Meadows Park restroom were complete and that the restroom was again open to residents.

Continuing her report, Ms. Miller stated that her office had received a number of calls from residents of the District regarding the recent flurry of reports from disgruntled residents on social media. She continued that the residents calling in expressed concern that their positive views about the District were not being heard. The Board discussed the issue at length. Ms. Miller suggested that a letter from the Board President detailing the facts with regard to recent events and actions taken by the Board might be helpful, and the Board agreed.

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 July was at 106% of water pumped versus water distributed. He added that the District's water accountability for the past 12 months was at 102% of water pumped versus water distributed.

Mr. Alanis next reported that Senate Bill 3, passed during the 87th Texas Regular Legislative Session, requires, among other things, that the District adopt and submit to the Texas Commission on Environmental Quality (the "**Commission**") an emergency preparedness plan ("**EPP**") and a timeline for implementing the EPP. Mr. Alanis continued that the District was required to submit the EPP to the Commission no later than March 1, 2022, and must implement the EPP no later than July 1, 2022, or upon the Commission's final approval of the EPP. He stated that the Commission was preparing a template for the EPP, which should be complete by the end of month. Mr. Alanis confirmed that he would begin work on the EPP after receipt of the template and would submit all items timely to the Commission.

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 at full capacity. She explained that with the new upsurge in positive COVID 19 cases within the community, most persons were only interested in booking small gatherings at this time. She added that her office would continue to monitor the situation to ensure the safety of all involved.

Director Barnes next reviewed with the Board the Profit and Loss Statement for the District for the fiscal year to date. He noted that most items were under budget, and he commended the Board and staff for all their hard work in keeping the District "in the black."

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 79 patrol hours were logged in by patrol officers for the month of July. 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 8:00 p.m.

The Board then entered into executive session at 7:03 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 8:00 p.m. Director Sabatino reported that no decisions were made and no votes taken on the items discussed in executive session.

At this point Director Teiber departed the meeting.

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 14, 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
August 10, 2021, Board of Directors Meeting

1. Board Packet.