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

January 11, 2022

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 11, 2022**, 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, except Director 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; 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 Teiber 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.

Mr. Gardner then presented the Landscaping Report. He stated that routine weekly maintenance was ongoing throughout the District and that Texas Lawn was in the process of completing mulching within the District's parks and green spaces. He continued that the work in Olson Meadows Park was almost complete and that the District's irrigation system was not experiencing any major issues. Mr. Gardner then reported that Texas Lawn planned to begin cleanup of the District's greenbelts beginning next week. After discussion, the Board thanked Mr. Gardner for his report, and Mr. Gardner departed the meeting.

The Board then considered approval of the monthly consent agenda containing the minutes of the December 14, 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 Smith and seconded by Director Stempko, the Board voted unanimously to approve the Consent Agenda, including the December 14, 2021, regular Board of Directors meetings minutes, as written.

The next item of business before the Board was the District's May 7, 2022, Directors Election (the "**Election**"). The Board noted that Directors Barnes and Stempko were up for reelection. Ms. McCalla reviewed a memorandum detailing key dates for the Election with the Board, and she noted that the deadline to submit an application for a place on the ballot was February 18, 2022 at 5:00 p.m.

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 Chapter 2256, Texas Government Code, the Texas Public Funds Investment Act. Mr. Evans presented a RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF 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**") and summarized provisions within Chapter 2256, requiring the District to perform an annual review of its Investment Policy and investment strategies. He said that the District's Investment Policy and investment strategies complied with the requirements of the Texas Public Funds Investment Act. Mr. Evans 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 Smith and seconded by Director Stempko, the Board voted unanimously to adopt the Investment Resolution, as presented. A copy of the Investment Resolution, thus approved, is included in the Board Packet and attached hereto.

Next, Mr. Evans reminded the Board that Chapter 2206, Texas Government Code, requires the District, as an entity with eminent domain authority, to file an annual report with the Texas Comptroller of Public Accounts (the "**Comptroller**") describing any condemnation activity carried out by the entity during the previous year, as well as providing the statute that authorizes such condemnation activity. Mr. Evans continued that the District is required to submit this information by February 1 of each year. He 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. He 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 Smith and seconded by Director Stempko, the Board voted unanimously to authorize the District's Attorney to complete the District's eminent domain filing, as required.

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 Sabatino and seconded by Director Stempko, the Board voted unanimously to approve the report on the Program, as presented.

Ms. Miller then reported on the status of the improvements to the Great Oaks/Brushy Creek Road intersection, and the improvements and/or widening of Brushy Creek Road and Hairy Man Road (collectively the "**Road Projects**"). She stated the Road Projects were progressing as expected and that she would keep the Board updated on any future changes.

She the reported on the status of the proposed extension of Wyoming Springs Drive (the "**Wyoming Springs Project**"), specifically Segment 1 of the Wyoming Springs Project. She reminded the Board that at the District's November 9, 2021, Board meeting, personnel from the City of Round Rock (the "**City**") were present to discuss the City's memorandum regarding the acquisition of rights-of-way for the Wyoming Springs Project. She continued that, at the meeting, Eric Ratzman, P.E., of Halff Engineers, Project Managers for the City Transportation Department, had detailed three scenarios and stated that the City had chosen Option 3 as the option requiring the removal of the least amount of trees in the area and posing the least harm to the land. Ms. Miller continued that she was recently notified that the City is moving forward with publication of the required hearing despite the fact that the Board has not formally approved any of the three proposed options presented by the City. Mr. Evans also reminded the Board that although the City notified the District that it planned to conduct the required public hearing on behalf of the District, his belief was that the District, as the owner of the subject park property, was responsible to conduct the hearing. He continued that he had contacted the City's Attorney regarding the matter, and that the City's Attorney had agreed with Mr. Evans' that the District should conduct the hearing. Mr. Evans added that he would continue to work with the City to resolve the issue.

Next, Ms. Miller presented the General Manager's Report, a copy of which is included in the Board packet. She reported that the installation of fiber optic cable in areas of the District by AT&T is ongoing and that AT&T's contractors have hit water lines, sewer lines, and gas lines, but thus far, have been somewhat responsive on repairs.

Mr. Alanis then provided the Operations Report. He reported that the Emergency Response Plan for the District was submitted to the United States Environmental Protection Agency ("**EPA**"), and that the District's Emergency Preparedness Plan ("**EPP**"), was almost complete. He then updated the Board on the EPA's new proposed rulemaking to strengthen elements of the Lead and Copper Rule. He stated that proposed new rules, if approved, would require significant effort and expense by the District to comply. He added that he would keep the Board updated as new information becomes available.

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 officers had patrolled the District a total of 84 hours for the month of December. He continued that officers continue to focus on patrols in the District's parks as well as monitoring traffic issues along various streets.

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 8, 2022.

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 11, 2022, Board of Directors Meeting

1. Board Packet.