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

February 13, 2023

The Board of Directors ("**Board**") of Fern Bluff Municipal Utility District ("**District**") convened in a meeting open to the public at 6:00 p.m., on February 13, 2023, 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.

Director Sabatino called the meeting to order and called the roll of the Board, to wit: **George Sabatino, President; Marc Smith, Vice President; Jessica Stempko, Secretary; Kevin Barnes, Treasurer; and Joseph Teiber, Assistant Secretary/Treasurer**. With all Directors present, a quorum was established.

Also, in attendance or joining during the meeting, were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; Don Allman, CPA, PC, the District's Auditor; and Zachariah T. Evans of McGinnis Lochridge, the District's Attorney ("**McGinnis**"). Members of the public were also present.

Next, Director Smith led those present in the Pledge of Allegiance.

The Board then considered approval of the monthly consent agenda, including the minutes of the Board's November 7, 2022, and January 10, 2023, meetings; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. Director Barnes noted he was not in attendance for the Board's January 10, 2023, meeting and the draft minutes should be revised accordingly. Director Smith motioned to approve the consent agenda, subject to the aforesaid revision to the minutes; Director Stempko seconded; and the Board voted unanimously to approve the motion.

Next, Mr. Allman reviewed the draft audit report for the District's fiscal year ended September 30, 2022. He reviewed the Statement of Net Position and Revenues and Expenses, Expenditures, and Changes in Fund Balances. Mr. Allman reviewed the supporting data included in the audit report, including information required by the Texas Commission on Environmental Quality ("**TCEQ**"). Mr. Allman then called the Board's attention to the form of the Management Representation Letter from the District's General Manager, attached to the Governance Letter. Mr. Allman reported that he was issuing an unmodified opinion, which was the highest opinion the District can receive. He also noted that the District was in great shape financially and currently had no leases, loans, or bonds outstanding. After a brief discussion, Director Stempko moved to approve the audit report, as presented; Director Barnes seconded; and the Board voted unanimously to approve the motion. A copy of the audit report is filed in the permanent records of the District.

Next, Ms. Miller reviewed a proposal from Texas Lawn & Garden to do mulch replacement in the parks and playgrounds throughout the District, in the amount of $20,450.00. After

discussion, Director Stempko moved to approve the proposal; Director Barnes seconded; and the Board voted unanimously to approve the motion.

Ms. Miller then reviewed the General Manager's report, including a proposal from M & C Electric, in the amount of $9,280.00, to replace all lighting in the District's tennis and basketball parks, replacing the current traditional lighting with more cost effective and efficient LED lighting. After discussion, Director Barnes moved to approve the proposal as presented; Director Smith seconded; and the Board approved the proposal unanimously.

Next, Ms. Miller described at length the amount of damage throughout the District, caused by the large winter storm that crossed the region about two weeks earlier. Ms. Miller stated the extensive damage will take a significant amount of time to clean up. She also laid out plans for the disposal of fallen limbs and trees. She stated the District's greenbelts will be the last to be cleaned up, as she is focusing efforts on clearing roadways and sidewalks first, for health and safety reasons. After discussion, Director Barns moved to contract with a provider in an amount not to exceed $100,000 to commence and complete the clean up work throughout the District. (Director Teiber departed the meeting at this time.) The motion died for lack of a second. The Board further discussed clean-up efforts. Director Smith indicated his opinion that, because some residents in some sections of the District, such as Oak Brook, had already cleaned up their storm damage, it would be inequitable for the District to pay to clean up other sections. Director Stempko voiced the same concern. After additional discussion, Director Barnes moved to approve up to $25,000.00, subject to Ms. Miller finding an available and qualified service provider, to fund winter storm clean-up efforts, with $5,000.00 to be expended on each of five days; Director Sabatino seconded; and the Board voted unanimously to approve the motion. Afterward, Director Stempko voiced her appreciation for the services CTR, the District solid waste removal provider, provides throughout the District.

Next, Mr. Alanis presented the operations report. He stated that the Districts MS4 general permit renewal was almost complete, with notice of it being published in a newspaper of general circulation in the proceeding weeks. He also stated that, due to the timing of the permitting process, the five-year permit would be up for renewal in 2024.

At this point, the Board retired into executive session pursuant to Section 551.071, Texas Government Code, to consult with Mr. Evans regarding the District's ongoing legal matters. After reconvening into open session, Director Sabatino announced the Board had made no decisions nor taken any votes during executive session.

The Board then discussed the date of their next regular meeting, set for 6:00 p.m. on Tuesday, March 14, 2023.

There being no further business, the Board adjourned.

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Jessica Stempko, Secretary
Board of Directors
Fern Bluff Municipal Utility District

(SEAL)

Attachments
Fern Bluff Municipal Utility District
February 13, 2023, Board of Directors Meeting

1. Board Packet.