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

May 9, 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 the above-referenced date, 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; and Kevin Barnes, 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 Alaniz, the District's Operations Manager; Jack Gardner, of Texas Lawn & Garden ("**Texas Lawn**"), the District's landscaping consultant; and Zachariah T. Evans of the Law Office of Zachariah T. Evans, the District's Attorney ("**Evans Law**"). Members of the public were also present.

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

Director Sabatino next noted no citizens signed up to address the Board.

The Board then considered approval of the monthly consent agenda, including the minutes of the Board's April 11, 2023, meetings; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. Director Barnes motioned to approve the consent agenda; Director Stempko seconded; and the Board voted unanimously to approve the motion.

Next, Mr. Gardner discussed with the Board the status of the District's parks and green space maintenance. Mr. Gardner indicated that, in general, parks and green space maintenance operations were normal over the last month. He also indicated Texas Lawn completed preemergent fertilization throughout the District. Mr. Gardner further reported that wildflowers were in full bloom within the District.

Next, the Board discussed a proposed interlocal agreement between the District and Brushy Creek Municipal Utility District ("**BCMUD**"), providing for BCMUD disposal of wastewater flows through the District's facilities. Ms. Miller summarized the interlocal agreement for the Board. After discussion and questions from the Board to Ms. Miller, Director Smith motioned to approve the interlocal agreement; Director Barnes seconded; and the Board voted unanimously to approve the motion.

The Board next discussed a written request by Oncor Energy ("**Oncor**") to waive delinquent property tax penalties. Director Sabatino and Ms. Miller provided an overview of this

matter, indicating Oncor delivered the request to multiple taxing entities around Williamson County via the County Tax Assessor-Collector. The request indicated that Oncor was delinquent in delivering property taxes due to the winter storm that started on January 31, 2023, and provided evidence that postal services were closed on that date. Ms. Miller stated the total delinquent property tax penalty due to the District would be $322.00. After discussion, Director Barnes motioned to approve Oncor's request; Director Smith seconded; and the Board voted 3-0-1 to approve the motion, with Director Sabatino abstaining.

Next, the Board discussed the vacancy on the Board. Director Sabatino reviewed the process by which the Board previously interviewed and appointed candidates to fill vacancies. After discussion, the Board determined to advertise the vacancy and solicit statements of interest through the District's website and email communications to the District's residents. The Board anticipates interviewing interested candidates during their next meeting, or hold a special meeting for that purpose, depending on how many candidates submit statements of interest, and possibly voting to fill the vacancy during the Board's July regular meeting.

Ms. Miller then reviewed the General Manager's report, a copy of which is included in the Board Packet. The Board Packet is attached to these minutes and fully incorporated for all purposes. Ms. Miller stated the District experienced an issue with paperless billing where certain residents did not receive bills for two month. Ms. Miller said the issue has been resolved and credits were issued to any residents who were assessed late penalties as a result of their bills not being received.

Next, Ms. Miller discussed ongoing efforts to identify a vendor to complete greenbelt clean-up efforts resulting from the winter storm occurring earlier in the year. She stated the task would be overwhelming for District staff. Accordingly, the District has solicited bids from nine providers but only two have responded to date. Ms. Miller and Mr. Alanis have met with one of the vendors and will meet with the other to discuss the scope of services and to obtain a cost estimate for the work to be performed. After further discussion, Director Barnes moved to authorize Ms. Miller to engage a vendor at an amount not to exceed $70,000.00 to complete the greenbelt clean-up; Director Stempko seconded; and the Board voted unanimously to approve the motion.

Ms. Miller then reviewed the District's water usage, water loss, and related revenues over the previous month. A discussion ensued.

The Board next briefly discussed the upcoming budget and tax rate season for the 2023-2024 fiscal year.

Under the Communications Committee report, Mr. Alaniz reported that the District's mobile app is in need of substantial updates. Mr. Alaniz opined that, given the cost of revamping and maintaining the app, compared to the small amount of internet traffic the District receives through it, the app should be retired. The Board agreed.

Next, the Board retired into executive session pursuant to Section 551.071, Texas Government Code, to discuss with Mr. Evans ongoing litigation matters. After reconvening in

open session, given that Mr. Micheletti, with whom the District is currently in litigation, remedied the deed restriction violation that was the subject of the District's lawsuit against him. Director Sabatino moved to non-suit the lawsuit, subject to Mr. Micheletti entering into a settlement agreement with the District, wherein he will stipulate that he understands the District may reinstate the lawsuit if he violates deed restrictions in the future; Director Barnes seconded; and the Board voted unanimously to approve the motion.

The Board then set their next regular meeting for June 13, 2023, at 6:00 p.m.

There being no further business, the Board adjourned.

[*Execution page follows*.]

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

(SEAL)

Attachments
Fern Bluff Municipal Utility District
May 9, 2023, Board of Directors Meeting

1. Board Packet.