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

August 9, 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 **August 9, 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
Marc Smith	Vice President
Jessica Stempko	Secretary
Kevin Barnes	Treasurer
Joseph Teiber	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; Brian Schmidt of Texas Lawn and Garden, LLC, ("**Texas Lawn**") the District's landscaper; and Zachariah T. Evans, Suzanne McCalla, and Pennie Blake of McGinnis Lochridge, the District's Attorney ("**McGinnis**"). Several members of the public were also present.

Director Sabatino then called the meeting to order, after which Director Smith led those present in the Pledge of Allegiance.

Mr. Schmidt next provided the Landscaping report to the Board. He reported that Texas Lawn, during the hot weather conditions, was working diligently to irrigate all areas while still complying with current watering restrictions. The dry conditions and lack of water are causing the trees to drop their leaves. The wiring issue on certain irrigation controllers, is resolved. He added that Texas Lawn is not mowing within the District at this time. He reported that an armadillo was relocated. After additional discussion, the Board thanked Mr. Schmidt for his time, and he departed the meeting.

Next, the Board considered approval of the monthly consent agenda containing the minutes of the July 12, 2022, 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.

Director Barnes next noted several line items included within the financial report and inquired as to whether the increased costs were included in the District's proposed

budget. Ms. Miller confirmed that the estimated cost increases were included within the proposed budget. Director Barnes pointed out that Blue Cross Blue Shield was also planning a rate hike. Ms. Miller confirmed this item was included in the budget but that she is unsure what the increase will be. After a brief discussion, upon a motion duly made by Director Barnes and seconded by Director Stempko, the Board voted unanimously to approve the Consent Agenda, including the July 12, 2022, regular meeting minutes, as written.

Next, Ms. Miller reviewed the District's draft budget for the fiscal year ending September 30, 2023, with the Board. She detailed items listed within the draft budget. Ms. Miller reviewed the Williamson Central Appraisal District certified values and noted that the proposed budget reflects a lowering of the District's tax rate from $0.2500 on each $100 of taxable property to $0.2100 on each $100 of taxable property within the District. After a lengthy discussion by the Board, upon a motion duly made by Director Smith and seconded by Director Stempko, the Board voted unanimously to approve the District budget for the fiscal year ending September 30, 2023. 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, 2023; PROVIDING FINDINGS OF FACT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR OPEN MEETING (the "Budget Resolution").

The next item for the Board's consideration was a motion to approve the proposed 2022 tax rate. Upon a motion duly made by Director Barnes and seconded by Director Smith, the Board voted unanimously to approve a proposed 2022 tax rate of $0.2100 on each $100 of taxable property within the District.

Ms. McCalla next discussed the requirement to call a public hearing for the proposed 2022 tax rate and to authorize McGinnis to publish the notice of hearing on the proposed 2022 tax rate. After a brief discussion, upon a motion duly made by Director Barnes and seconded by Director Smith, the Board voted unanimously to call a public hearing for September 13, 2022 and to authorize publishing a notice of hearing on the proposed 2022 tax rate in the Round Rock Leader, as in years past.

Next, the Board discussed engaging the Auditor, Donald L. Allman, CPA to perform audit services for the fiscal year ending September 30, 2022, with no increase. Upon a motion duly made by Director Stempko and seconded by Director Barnes, the Board voted unanimously to engage Donald L. Allman, CPA, to perform audit services for the fiscal year ending September 30, 2022,

The Board's next item for discussion, call a public hearing for conveyance of parkland pursuant to the requirements of Chapter 26 of the Texas Parks and Wildlife Code. Mr. Evans discussed publication and the timing of the publication. The Board discussed alternatives or proposed exchange of land, granted rights-of way, long-term plans for a regional trail to Georgetown and Hutto, timeline, an opening offer, and approaching the City of Round Rock, Williamson County. Mr. Evans reminded the Board

of the requirements for conveyance and the option to have an appraisal done. After a lengthy discussion by the Board, upon a motion duly made by Director Smith and seconded by Director Stempko, the Board voted unanimously to call a public hearing for October 11, 2022, for conveyance of parkland pursuant to the requirements of Chapter 26 of the Texas Parks and Wildlife Code.

Director Stempko motioned to move the public hearing date for the conveyance of parkland from October 11, 2022, to October 12, 2022. Director Barnes seconded, and the Board voted unanimously to move the hearing to October 12, 2022, for conveyance of parkland pursuant to the requirements of Chapter 26 of the Texas Parks and Wildlife Code.

Next, Ms. Miller presented the General Manager's Report, a copy of which is included in the Board packet. Ms. Miller discussed the success in lowering the credit card processing fee from 5% to 3% and reported more than one-third of the District payments are one-time payments.

Ms. Miller discussed the increase in vandalism in the District with several instances in the Oak Brook and Olson Meadows Park neighborhoods, and Brightwater drainage area. She confirmed that the vandalism is being removed immediately and cameras are monitoring the areas.

Next, Mr. Alanis updated the Board regarding General Management, Maintenance, and Operations. He has 2 out of 3 generators on the way that he expects to receive in 1 to 2 weeks. The third generator is estimated to be here in a month.

Mr. Alanis reported on the new EPA lead and copper rules and noted that a ban on lead in water pipes was passed in 1988, and that because the District's water lines were installed after that time period, the District water lines most likely do not contain lead.

Mr. Alanis added, there was a 6-million-gallon difference in water usage from last month.

Next, Director Teiber reported that Mr. Schmidt reported all the work has been done regarding maintenance and improvements at District parks and open spaces and there is nothing to add at this time.

Director Barnes presented a handout of a draft resident survey. He added that he is working with Director Smith on the survey to the District residents to get the homeowners input regarding playscapes with ideas and suggestions of what they would like to see in their neighborhoods. A discussion ensued. Director Stempko discussed adding a quarterly newsletter. She will provide to Director Smith, to share with Ms. Miller. Director Sabatino would like to have age ranges added to the survey. Director Barnes proposed an age range scale format. Ms. Miller reminds the Board to be mindful regarding guidelines. The Board then discussed dissemination through a provider online or on a

mobile application such as Survey Monkey and Mail Chimp and setting a deadline to respond to survey.

Ms. Miller then reported that deed restriction violation letters would be sent out to three District residents.

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 76 hours for the month of July. He continued that the officers continue to focus on patrols in the District's parks and various streets, as well as traffic enforcement along various streets.

Next, Director Smith presented the Communications Report. He discussed the draft quarterly newsletter to include the survey, the proposed tax budget rate, and a water restriction reminder. He added to include the September 13, 2022, public tax hearing date and October 12, 2022, public hearing date for conveyance of parkland, and reduction of the credit card processing fee.

The Board then entered into executive session at 7:29 p.m., pursuant to V.T.C.A. Government Code, Chapter 551.071, to consider Mr. Evans' advice on items 9(a), 9(b), and 9(c) as listed on the agenda. The Board reconvened in open session at 7:52 p.m. Director Sabatino reported that no decisions were made, and no votes taken on any of the items discussed in executive session.

Next, the Board discussed engaging an appraiser to appraise the parkland proposed for conveyance to the City of Round Rock. 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 General Manager to engage an appraiser at a cost not to exceed $3,000.00.

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 13, 2022.

The Board then discussed the McGinnis Lochridge rate increase. Upon a motion duly made by Director Barnes and seconded by Director Stempko voted unanimously to approve the McGinnis Lochridge rate increase.

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 9, 2022, Board of Directors Meeting

1. Board Packet.