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

August 8, 2023

The Board of Directors ("**Board**") of Fern Bluff Municipal Utility District ("**District**") convened in a special meeting that was 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; **Kevin Barnes**, Treasurer; and **Richard Horton**, Director. With all Directors present and one vacancy existing on the Board, 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; and Zachariah T. Evans (via teleconference) 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.

The Board then accepted comments from those citizens who wished to address the Board.

The Board then considered approval of the monthly consent agenda, including minutes of the Board's June 13, 2023, and June 27, 2023, meetings, as revised; payment of bills and invoices; payment of transfers for operation expenses; pay requests; change orders; and customer charge write-offs. Director Smith motioned to approve the consent agenda; Director Stempko seconded; and the Board voted unanimously to approve the motion.

The Board then voted to engage the accounting firm of Donald L. Allman, CPA, PC, to perform the District's financial audit of FY2022-2023, with Director Barnes making the motion; Director Horton seconded; and the Board voted unanimously to approve the motion.

Next, the Board reviewed the District's draft budget for FY2023-2024 ("**Budget**"), with Director Barnes and Ms. Miller providing details. Director Barnes indicated he would support a reduced tax rate of $0.20 per $100.00 of valuation (compared to the rate of $0.21 per $100.00 of valuation in 2022) in order to fund the Budget. Ms. Miller indicated the proposed budget includes a five percent (5%) pay raise for the District's employees. Ms. Miller went on to review the District's utility service rates compared to surrounding entities, with the District's rates being the second lowest of those that were analyzed. Director Smith inquired about certain line item estimates, including meter replacements, legal fees, the District's household hazardous waste program, street sweeping and maintenance, law enforcement services expenses, Community Center parking lot maintenance, and backhoe maintenance. Additional discussion ensued. The Board determined they would review and finalize the Budget during their next meeting.

Mr. Evans next discussed the District's obligation to call a public hearing for the proposed 2023 tax rate and to publish notice of the hearing. After discussion, upon a motion by Director Barnes and seconded by Director Smith, the Board voted unanimously to propose a 2023 tax rate of $0.2000 per $100.00 of valuation of real property within the District, call a public hearing for September 12, 2023, at 6:00 p.m., and to authorize publication of a notice of hearing on the proposed 2023 tax rate in the Round Rock Leader, a newspaper of general circulation within the District and Williamson County.

Next, Ms. Miller discussed a proposed amendment to the District's solid waste service agreement to extend the term of services provided by Central Texas Refuse, LLP, through September 30, 2026. Director Horton moved to approve the amendment; Director Smith seconded; and the Board voted unanimously to approve the motion.

Ms. Miller then summarized the General Manager's report, a copy of which is included in the Board Packet, which is attached and incorporated into these minutes for all purposes.

The Board then retired into executive session pursuant to Section 551.071, to discuss matters relating to ongoing litigation matters.

The Board then reconvened in open session and set their next regular meeting for September 12, 2023, at 6:00 p.m.

There being no further business, the Board adjourned.

[*Execution page follows*.]

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

(SEAL)

Attachments
Fern Bluff Municipal Utility District
Board of Directors Meeting

1. Board Packet