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

July 22, 2025

The Board of Directors ("**Board**") of Fern Bluff Municipal Utility District ("**District**") convened in a regular 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 78681, pursuant to notice posted in accordance with 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**, Assistant Secretary-Treasurer. With all Directors present, except Director Smith, a quorum was established.

Also attending the meeting were Janey Miller, the District's General Manager; Hector Alanis, the District's Operations Manager; Jeremiah Alcantar, the District's Assistant Operations Manager; Brian Schmidt, of Texas Lawn and Garden ("**TLG**"), the District's landscaping design and maintenance consultant; and Zachariah T. Evans, of ZTE Law, PC, the District's Attorney.

The Board recited the United States Pledge of Allegiance.

Next, Director Sabatino noted no citizens were present to address the Board.

Mr. Schmidt reported on TLG's work in the District over the past month. He reported that TLG has the District's irrigations systems to run twice a week and in compliance with the District's drought contingency plan. Mr. Schmidt noted the rain over the previous month was a great benefit to landscaping throughout the District. TLG is being cautious with summertime pruning due to increasing summer temperatures. Mrs. Miller noted she has received compliments on the playscape mulching and landscaping that TLG installed at Fern Bluff Park. Mr. Schmidt noted TLG was two pallets short on grass sod for that project but will complete the work in the coming week.

The Board then considered the monthly consent agenda, including payment of bills and invoices, payment of transfers for operation expenses, pay requests, change orders, customer charge write-offs, the District's quarterly investment report, as applicable, and the minutes of the Board's June 24, 2025, meeting. Director Barnes moved to approve the consent agenda; Director Horton seconded; the motion carried unanimously.

Next, the Board reviewed a draft budget for the fiscal year ending September 30, 2026 ("**Budget**"), with Mrs. Miller providing details. Among other things, she noted Williamson County provided the District's certified appraisal values, which slightly are higher compared to the previous year. Mrs. Miller recommended the Board consider adopting a tax rate of $0.18 per $100.00 of valuation (compared to the rate of $0.19 per $100.00 of valuation for the 2024 tax year) in order to fund the District's operations and maintenance. Mrs. Miller went on to detail several projects and other anticipated expenditures that are included in the Budget.

While reviewing the draft Budget, Mrs. Miller reminded the Board that the District owns one-third of the elevated storage tank ("**EST**") that serves the District. Mrs. Miller stated the District has been setting aside funds each year to pay the District's share of financial responsibility for maintaining and rehabilitating the EST, which could occur as soon as 2027. Mr. Alanis noted the EST is inspected every year and it is in good operating condition. In response to a question from Director Barnes, Mrs. Miller noted the Budget would provide a 6.2 percent operating reserve, and a 5.27 percent increase in the District's water service rates.

After discussion, Director Horton moved to (i) adopt a proposed tax rate of $0.18 per $100.00 of valuation of real property within the District, (ii) call a public hearing on the proposed tax rate for August 26, 2025, to be held during the Board's regular meeting starting at 6:00 p.m., and (iii) to publish notice of the public hearing in a newspaper of general circulation in Williamson County; Director Barnes seconded; the Board voted unanimously to approve the motion.

Mrs. Miller went on to review the General Manager's report. Among other topics, she reported on the progress of improvements being made to the District's tennis courts and installation of new pickleball courts. She stated improvements at Fern Bluff Park are approximately 75 percent complete.

Under the Operations Report, Mr. Alanis provided an overview of operations and maintenance activities throughout the District over the last few months. Mr. Alanis also noted he met with representatives of Round Rock ISD and Round Rock Fire Department to discuss use of fire hydrants situated near Fern Bluff Elementary School.

On behalf of the Roads Committee, Mrs. Miller reported Wyoming Springs Road was closed today to allow semi-trucks to haul in components of a large bridge that is being constructed along a roadway within the District.

On behalf of the Community Center Committee, Mrs. Miller noted she will be meeting with vendors to discuss replacing certain doors in the Community Center.

On behalf of the Deed Restriction Committee, Director Horton reported the ACC has not received any controversial improvement requests. Mrs. Miller also reported the District delivered violation notices to multiple property owners for having unauthorized car covers on their vehicles.

On behalf of the Security Committee, Director Barnes reported that Williamson County Sheriff's Office conducted patrols within the District during the previous month, per the norm.

On behalf of the Communications Committee, Mrs. Miller reported she expects the next community newsletter to be distributed before the end of the month.

Mr. Evans reported the Third Court of Appeals is likely to remand to the trail court for further proceedings the ongoing litigation *Fern Bluff Municipal Utility District v. Nick Steward and Whendy Martinez*, given that the defendants failed to file a request for rehearing and have not yet made in dication they will appeal the Third's Court's decision to the Texas Supreme Court.

Finally, the Board scheduled their next meeting for August 26, 2025, at 6:00 p.m.

There being no further business, the Board adjourned.

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Jessica Stempko
Secretary, Board of Directors