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

August 26, 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, 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.

Mr. Schmidt reported on TLG's work in the District over the past month. He reported TLG has begun trimming back perennials and lantanas, which will take several weeks. TLG performed landscaping maintenance at Oak Brook Park today; they will do Olsen Meadows Park next. Mr. Schmidt stated that TLG has installed smart controllers that provide TLG with mobile alerts when irrigation systems within the District need repair. TLG will apply preemergent fertilizer for the fall season in September.

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

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 July 22, 2025, meeting. Director Barnes moved to approve the consent agenda; Director Stempko seconded; the motion carried unanimously.

At 6:15 p.m., Director Sabatino opened the public hearing on the proposed 2025 tax rate, with notice of public hearing on the tax rate having been published in a newspaper of general circulation within Williamson County. Director Sabatino noted no one was present to address the Board on the proposed tax rate and then closed the public hearing at 6:17 p.m.

The Board then discussed the proposed tax for the District's 2025 tax year. Director Smith moved to adopt an order levying a tax rate of $0.18 per $100.00 of valuation of real property within the District; Director Barnes seconded; the motion carried unanimously.

The Board reviewed the District's draft budget ("**Budget**") for the fiscal year ending September 30, 2026 ("**FY25-26**"), with Mrs. Miller providing additional details regarding the District's services rates. After discussion, Director Barnes moved to approve a resolution adopting the Budget, as presented; Director Horton seconded; the motion carried unanimously.

Mr. Evans explained the District will need to file an amended District Information Form ("**DIF**") with the Texas Commission on Environmental Quality and in the real property records of Williamson County. The DIF will reflect the Board's adoption of the new tax rate and provide an updated notice to purchasers of real property within the District. After discussion, Director Horton moved to approve the amended District Information Form to reflect the new tax rate; Director Smith seconded; the motion carried unanimously.

Mrs. Miller reported she will have an engagement letter for auditing services to present to the Board during their September meeting.

Mrs. Miller provided the General Manager's report. Among other topics, Mrs. Miller reported that the District's software provider, I3Verticals, is updating and enhancing the District's billing and payment systems, especially to provide additional layers of online security. Staff members are receiving training on the new software. Mrs. Miller also noted the District's systems do not save customer payment information such as credit card numbers, CVV numbers, etc. Nevertheless, she also stated the District will be notifying residents who have an online bill payment account that they will need to update their passwords and any recurring credit card payments. Finally, Mrs. Miller noted that, during the board's September board meeting, she will present a rate order adopting the rates set out in the FY25-26 budget.

Under the Operations Report, Mr. Alanis provided an overview of operations and maintenance activities over the last month. Mr. Alanis stated the District is on track to have access controls for the sport courts completed within the next week, as scheduled. However, the courts will not be finally complete and open for use until September.

On behalf of the Roads Committee, Mrs. Miller reported Williamson County is will soon begin building out Deep Wood Road to connect with Sam Bass Road.

On behalf of the Community Center Committee, Mrs. Miller reported the Community Center is already being booked for holiday events.

On behalf of the Security Committee, Director Barnes reported that Williamson County Sheriff's Office conducted 116 hours of patrols within the District during the previous month. Mrs. Miller has asked them to pay especially close attention to the above-referenced sport courts.

On behalf of the Communications Committee, Director Smith reported the District distributed a newsletter in July. The next edition is forthcoming.

The Board retired into executive session to received legal advice from Mr. Evans regarding agenda item 16, relating to ongoing litigation, *Fern Bluff Municipal Utility District v. Nick Steward and Whendy Martinez*.

Finally, the Board scheduled their next meeting for September 23, 2025, at 6:00 p.m.

There being no further business, the Board adjourned.

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Jessica Stempko
Secretary, Board of Directors