A RESOLUTION OF THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT, ADOPTING DISTRICT BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2027; PROVIDING FINDINGS OF FACT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR OPEN MEETING

WHEREAS, pursuant to Section 49.057, Texas Water Code, the Fern Bluff Municipal Utility District's ("**District**") Board of Directors ("**Board**") is required to adopt an annual budget for the District; and

WHEREAS, in order to comply with the law and to provide a guideline for allocating and disbursing the receipts, revenues and other funds available or which may become available to the District in the coming fiscal year, the Board adopts herein a budget for the District's fiscal year ending September 30, 2027;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FERN BLUFF MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The preceding recitals are the true and correct legislative findings of the Board.

Section 2. The District's budget for the fiscal year ending September 30, 2027, attached hereto as Exhibit "A," is hereby approved and adopted.

Section 3. An appendix including audited financial statements, bond transcripts, and engineer's reports, each if applicable and required by Section 49.106, Texas Water Code, shall be maintained in the District's records.

Section 4. Any previously adopted policy in conflict with this Resolution is hereby repealed.

Section 5. This Board adopted this Resolution during a duly noticed open meeting, in compliance with Chapter 551, Texas Government Code, and Section 49.063. Texas Water Code.

PASSED and **APPROVED** this 18th day of August 2026.

George Sabatino
President, Board of Directors

ATTEST:

Jessica Stempko
Secretary, Board of Directors

EXHIBIT "A"

District Budget for Fiscal Year Ending September 30, 2027

FERN BLUFF M.U.D.

FISCAL YEAR 2026/2027 APPROVED BUDGET

	G/L ACCT.	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	FYE 27 Proposed
Projected Fund Balance - TexPool Operating	5,053,943	**5,053,943**	**4,829,054**	**4,650,492**	**5,363,369**	**5,493,698**	**5,644,305**	**5,402,711**	**5,171,558**	**4,943,905**	**4,728,781**	**4,515,744**	**4,302,708**	**4,085,005**
REVENUE:														
Water - Service Fees	14110	174,213	113,617	113,617	90,894	113,617	113,617	151,490	151,490	196,937	204,511	204,511	189,362	**1,817,876**
Connection Fees	14140	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Sewer - Service Fees	14210	42,960	42,960	42,960	42,960	42,960	42,960	42,960	42,960	42,960	42,960	42,960	42,960	**515,525**
Stormwater Drainage Fee		1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	**18,010**
Inspection Fees	14220	0	0	0	0	0	0	0	0	0	0	0	0	0
Garbage Fees	14250	49,245	49,245	49,245	49,245	49,245	49,245	49,245	49,245	49,245	49,245	49,245	49,245	**590,940**
Penalties & Interest	14310	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Property Tax	14320	0	63,031	954,471	378,186	405,200	0	0	0	0	0	0	0	**1,800,888**
Property Tax Penalty	14325	0	0	0	0	0	0	0	0	0	0	0	0	
Miscellaneous Income	14330	283	283	283	283	283	283	283	283	283	283	283	283	3,400
Interest Earned on Temp. Invest	14370	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	**159,962**
CC-Rental Fees	15110	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
TOTAL REVENUES		**$ 285,865**	**$ 288,301**	**$ 1,179,740**	**$ 580,732**	**$ 630,469**	**$ 225,269**	**$ 263,142**	**$ 263,142**	**$ 308,589**	**$ 316,163**	**$ 316,163**	**$ 301,014**	**$ 4,976,600**
EXPENSES:														
Water														
Purchase Water	16125	124,750	81,359	81,359	65,087	81,359	81,359	108,478	108,478	141,022	146,446	146,446	135,598	1,301,738
Maintenance & Repairs - Water	16130	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	5,333	64,000
Laboratory Expense - Water	16150	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Facility Utilities	16160	1,438	938	938	750	938	938	1,250	1,250	1,625	1,688	1,688	1,563	15,000
Wastewater														
Purchase Sewer Service	16220	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	301,000
Maintenance & Repairs - Sewer	16230	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Sewer Inspection	16240	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
Garbage/Recycling														
Garbage Expense	16300	43,333	43,333	43,333	43,333	43,333	43,333	43,333	43,333	43,333	43,333	43,333	43,333	520,000
Administrative-Operational														
Meter Replacement	16312	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Tax Assessor/Appraisal	16320	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Legal Fees	16330	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	130,000
Legal-Restrictive Covenants	16335	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Legal - Open Records Requests	16336	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Auditing Fees	16340	0	0	0	0	13,000	0	0	0	0	0	0	0	14,000
Engineering Fees	16350	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Engineering Fees - Special	16351	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Operations Contract Labor	16355	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000
AVR Billing and Collections	16357	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Deed Enforcement	16360	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000
Election Expense	16370	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000
Permit Expense	16380	750	750	750	750	750	750	750	750	750	750	750	750	9,000
District Utilities - Other	16390	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
District Utilities - Electric	16395	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Street Lights	16410	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000

Household Hazardous Waste Program	16420	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Printing & Office Supplies	16460	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	28,000
Legal Notices & Publications	16450	833	833	833	833	833	833	833	833	833	833	833	833	10,000
District Building/Facility Maintenance	16470	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Operations - Supplies & Equipment	16475	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Bank Service Fees	16495	417	417	417	417	417	417	417	417	417	417	417	417	5,000
District Building/ Facility Maintenance	16500	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Office Technology	16510	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Postage	16520	167	167	167	167	167	167	167	167	167	167	167	167	2,000
District Communications	16525	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Insurance & Surety Bond	16530	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Security Key Card System	16535	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Travel/Mileage Expense	16540	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
District Vehicle Expense	16545	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,000
Miscellaneous Expense	16560	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,000
Training Expense	16570	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Patrol Service	16580	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	160,000
Director Fees	16600	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	28,800
District Employees	16605	60,167	60,167	60,167	60,167	60,167	60,167	60,167	60,167	60,167	60,167	60,167	60,167	722,000
District Employee Benefits	16606	27,583	27,583	27,583	27,583	27,583	27,583	27,583	27,583	27,583	27,583	27,583	27,583	331,000
Payroll Taxes	16620	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000
Consulting Fees-Other	16650	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Street Cleaning/Sweeping	16700	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects	16760	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	876,000
Community Center														
District Employees	17110	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Contract Labor Wages	17140	208	208	208	208	208	208	208	208	208	208	208	208	2,500
Facility Maintenance	17150	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000
Sheriff Security	17160	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies/Equipment	17220	417	417	417	417	417	417	417	417	417	417	417	417	5,000
Landscaping	17230	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Parks														
Park-Landscaping	18110	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	36,667	440,000
Park-Landscaping Special - Park Rehab	18120	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Park - Trash Removal	18125	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Park-Vandalism Repairs	18130	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Park-Oak Brook Pond Maint	18140	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Park-Park Facility Maintenance	18150	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
Park - Equipment Maintenance.	18156	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Park - Greenbelt Maintenance.	18158	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
TOTAL EXPENSES		**$510,754**	**$466,863**	**$466,863**	**$450,404**	**$479,863**	**$466,863**	**$494,295**	**$490,795**	**$523,713**	**$529,200**	**$529,200**	**$518,227**	**$5,945,538**
Operating Fund Revenue/(Expense)		$ (224,889)	$ (178,562)	$ 712,877	$ 130,329	$ 150,606	$ (241,593)	$ (231,153)	$ (227,653)	$ (215,125)	$ (213,036)	$ (213,036)	$ (217,213)	$ (968,938)
Other Funding Sources/Disbursements														
Transfer to Parks Fund		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer to Sewer Inspection Fund		$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer from Parks Fund		$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
Transfer from Capital Reserve Fund		$939,071	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	939,071
EXCESS REVENUES (EXPENDITURES)		**($224,889)**	**($178,562)**	**$712,877**	**$130,329**	**$150,606**	**($241,593)**	**($231,153)**	**($227,653)**	**($215,125)**	**($213,036)**	**($213,036)**	**($217,213)**	**$ (29,867)**