FERN BLUFF MUNICIPAL UTILITY DISTRICT

BOARD OF DIRECTORS MEETING MINUTES

Meeting: February 24, 2026

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.

1. Call to Order and Roll Call

Board President called the meeting to order at 6:02 PM. Roll call indicated all Directors were present except Director Smith; therefore, a quorum was present.

2. Pledge of Allegiance

Director Stempko led the Board in the Pledge of Allegiance.

3. Citizens' Communications

A resident addressed the Board, expressing appreciation for the District's progress and thanking Ms. Miller for her leadership, dedication, and accomplishments. He noted he remains a resident at present but expects to relocate in the near future.

4. Consent Agenda

No items were removed from the Consent Agenda.

The Board reviewed the prior meeting minutes and noted no corrections were needed.

- Motion: Approve the Consent Agenda (Director Barnes).
- Second: Director Stempko.
- Vote: Motion carried (4–0).

5. May 2, 2026, Directors' Election

District counsel reported that two candidates filed for the May 2, 2026, Directors' Election, and both candidates were current Board members. Counsel provided a Certificate of Unopposed Status and advised the Board it was authorized under the Election Code to cancel the election. Upon adoption, counsel would transmit the cancellation order to Williamson County for posting notices at polling locations.

- Action: Adopt Certificate of Uncontested Election and Order Canceling the May 2, 2026, Directors' Election.
- Motion: Director Horton.
- Second: Director Stempko.
- Vote: Motion carried (4–0).

6. Annual Review of District Investment Policy

District counsel presented the annual required review of the District's Investment Policy under the Public Funds Investment Act. Counsel reported revisions to align the policy with legislative amendments, including: (1) updating the allowable commercial paper maturity from 275 days to 365 days; and (2) updating certification requirements so that only local government investment pools (e.g., TexPool) and investment advisors are required to sign a certification of having read and agreeing to comply with the policy. Counsel also noted clarifying language regarding an advisor's obligation to maintain information on broker-dealers.

- Action: Approve the revised District Investment Policy.
- Motion: Director Barnes.
- Second: Director Horton.
- Vote: Motion carried (4–0).

7. Committee Reports

7.1 Roads Committee

The Roads Committee reported continued progress regarding the Wyoming Springs extension. The District met with the City and received a permit to proceed with a curb cut. Site clearing began, and the District received a complaint from an adjacent neighbor regarding loss of privacy as scrub trees were removed; the neighbor was referred to the HOA regarding fencing and privacy concerns. A target opening timeframe was discussed as approximately May 2026. The contractor located a District manhole previously covered by asphalt and confirmed it will be brought up to street level during the next asphalt work.

7.2 Budget Committee

The Budget Committee reported strong monthly cash flow as February reflected significant tax receipts, resulting in income exceeding expenses for the period. The Board also discussed the likelihood of adding the cost of a replacement District vehicle into the upcoming budget.

7.3 District Community Center Committee

No report was provided.

7.4 Deed Restrictions Committee

The Deed Restrictions Committee reported that spring conditions typically improve yard appearance following winter. The Board discussed a trailer located near Priest River/Klamath Falls area that presented a visibility/safety concern at night; in coordination with relationship-building efforts, the Sheriff's Department made contact and the unlicensed trailer was removed within approximately one and a half days.

7.5 Security Committee

The Security Committee had no formal report; however, the Board discussed evaluating license plate reader camera systems (e.g., Flock Safety) as a possible security enhancement.

The Board also noted planned facility camera upgrades; existing analog cameras are aging and are being evaluated for replacement with higher-resolution equipment, with funding already included in the budget.

7.6 Communications Committee

Director Smith was absent; no report was provided.

8. Executive Session and Return to Open Session

At 6:25 PM, the Board announced it would convene in executive session pursuant to Section 551.074, Texas Government Code, with the General Manager and legal counsel.

At 6:50 PM, the Board reconvened in open session and resumed the meeting.

9. General Manager Retirement/Resignation and Appointment

General Manager Miller announced her retirement effective Friday, February 27, 2026, and stated she would be submitting her resignation. She expressed appreciation for the opportunity to serve the District, its residents, and the Board, and noted she would remain a resident of the community. General Manager Miller recommended the Board appoint Deputy General Manager Alanis to fill the General Manager position.

Action: Accept General Manager Miller's retirement notice and resignation.

Motion: Director Sabatino.

Second: Director Horton.

Vote: Motion carried (4–0).

Board members expressed appreciation for General Manager Miller's years of service and dedication to improving the District.

Action: Appoint Hector Alanis as General Manager.

Motion: Board President Sabatino

Seconds: Director Stempko.

Vote: Motion carried (4–0).

Mr. Alanis thanked the Board and Mrs. Miller for her mentorship and stated he would work to uphold the standard set for the District.

10. General Manager / Operations Report

General Manager Alanis provided an operations update (referenced as being in the Board packet). Key points included:

• District staff are receiving increased pricing requests from vendors (including the solid waste and landscaping vendors). Meetings are being scheduled to negotiate and maintain appropriate service levels while controlling costs.

• Spring bulk pickup is scheduled for May 9; District communications will provide resident notifications in advance.

• Operations progress included a new building at the pump station to support storage and staging ahead of upcoming water tower work (including anticipated repainting).

• The District's state inspection was completed with no issues expected to materially affect operations; the District continues to maintain a positive working relationship with TCEQ.

• The previously discussed resident concern regarding the baseball fields area was addressed. The District received correspondence from Round Rock ISD indicating the matter was resolved to their satisfaction; temporary irrigation will be used to establish grass seed and removed once established. The Board noted costs were limited to dirt work and grass seed and were not expected to be excessive.

During discussion, the Board also noted that recent severe winter weather impacted solid waste collection schedules across multiple vendors, and that Republic Services worked extended hours to restore normal service.

11. Ongoing Litigation

Counsel reported there was nothing new to report.

12. Next Meeting Date

The next regular meeting was scheduled for March 24, 2026.

13. Future Agenda Items and Administrative Follow-Up

Potential future agenda items: continued evaluation of license plate reader ("Flock") cameras, pending additional information and proposals.

The Board discussed the need to update signatories and authorities on District accounts following the General Manager transition. Counsel noted the District's General Manager policy addresses authority for accounts and advised the Board that, if needed, a brief special meeting could be called to adopt minutes sooner to facilitate administrative changes.

There being no further business, the Board adjourned.

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Jessica Stempko
Secretary, Board of Directors