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

January 28, 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, in attendance or joining during the meeting, were 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; Don Allman, CPA, the District's auditor; and Zachariah T. Evans, of the Law Office of Zachariah T. Evans, PC, the District's Attorney.

The Board recited the Pledge of Allegiance.

Mr. Schmidt reported on the status of the District's ongoing landscaping and maintenance. Among other things, he reported that TLG will continue performing twice-per-month maintenance through February. Mr. Schmidt stated he expects to complete tree canopy and trail annual maintenance by the end of February. He also stated that leaf clean-up is ongoing due to certain trees dropping leaves at a slower rate than normal.

Next, Mr. Allman reviewed the draft audit report for the District's fiscal year ended September 30, 2024. Within the draft report, he reviewed the Statement of Net Position and Governmental Funds Balance Sheet; and Expenditures and Changes in New Position. Mr. Allman reported that he is issuing an unmodified opinion, which was the highest opinion the District can receive for an annual audit report. He also noted the District is in great shape financially and currently has no leases, loans, or bonds outstanding. After discussion, Director Smith moved to approve the audit report, as presented; Director Barnes seconded; the motion carried unanimously. A copy of the audit report is filed in the permanent records of the District and will be filed with requisite state agencies.

Next, Director Sabatino noted no citizens were present to address the Board during the Citizen Communications portion of the agenda.

The Board then considered the monthly consent agenda, including payment of bills and invoices, payment of transfers for operation expenses, pay requests, change orders, and customer charge write-offs, as applicable, and the minutes of the Board's November 19, 2024, meeting.

Director Horton moved to approve the consent agenda; Director Stempko seconded; the motion carried unanimously.

Next, the Board reviewed a resolution regarding the District's Investment Policy, which includes the District's investment strategies and list of brokers authorized to handle the District's investments, pursuant to the requirements of Chapter 2256, Texas Government Code, the Texas Public Funds Investment Act. Mr. Alanis stated he was not recommending any changes to the Investment Policy at this time. After discussion, Director Sabatino moved to adopt the resolution commemorating the Board's review of the Investment Policy; Director Smith seconded; the motion carried unanimously.

The Board then discussed a resolution regarding the District's Identity Theft Prevention Program ("**Program**"), which the Board first adopted April 13, 2009, and amended March 8, 2016. Mr. Evans reminded the Board that they are required by law to review the Program annually. Mr. Alanis reported the District has implemented procedures and controls that provide for the security of accounts, as required under the Program and under the Identity Theft Rules adopted by the Federal Trade Commission pursuant to the Fair and Accurate Credit Transactions Act of 2003. He continued that no "red flags" were raised during the past year and the Program is being implemented as intended. After discussion, Director Horton moved to approve the resolution; Director Smith seconded; the motion carried unanimously.

Under a combined General Manager's and Operations Report, Mr. Alanis reported that Whirlix completed improvements planned for Veteran's Park and he anticipates Brightwater Park will be completed in the near future. Mr. Alanis also advised the Board on the status of ongoing maintenance work around the District and at the Community Center. In response to a question from Director Barnes, Mr. Alanis reported the District's plans to install tennis courts continue to progress. Director Smith recommended that the courts be installed to also accommodate pickle ball.

On behalf of the Roads Committee, Director Sabatino reported that construction signs have been posted and improvements have begun on Wyoming Springs Drive.

On behalf of the Budget Committee, Director Barnes noted that the latest monthly budget report reflects the capital expenditures for the park improvements discussed earlier in the meeting.

On behalf of the Communications Committee, Director Smith indicated he intends to draft and distribute a District newsletter for the month of February.

Director Sabatino asked that an agenda item be provided for the Board's next meeting to possibly add more hours to WCSO's patrols within the District.

Finally, the Board scheduled their next meeting for February 25, 2025, at 6:00 p.m.

There being no further business, the Board adjourned.

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Jessica Stempko
Secretary, Board of Directors