

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35,
OF FORT BEND COUNTY, TEXAS

Minutes of Meeting of Board of Directors
August 3, 2022

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on August 3, 2022, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas 77056, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Piero Battistini, President
Sergio Handal, Vice President
Tony Feng, Assistant Secretary
Shah Haleem, Assistant Secretary

and all of said persons were present, thus constituting a quorum. Director Haleem entered the meeting after it was called to order, as noted herein.

Also present were: Taylor Watson and Carter Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Bernita Armstrong of Principal Management Group of Houston ("PMI"), Community Manager for Seven Meadows Community Association, Inc. ("Seven Meadows"); Robert Ponville and Diane Davis, President and Secretary, respectively, of the Board of Directors of Seven Meadow; Esther Flores of Tax Tech, Inc. ("Tax Tech"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Nate Jackson of Brown & Gay Engineers, Inc. ("BGE"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Robert Lugo of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); and Bryan Yeates and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

COMMENTS FROM THE PUBLIC

The Board began by opening the meeting for public comments. No comments from the public were presented.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of its meeting held on July 6, 2022. After discussion, Director Handal moved that the minutes for said meeting be approved, as written. Director Feng seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated August 3, 2022, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Battistini moved that the Bookkeeper's Report be approved and that the disbursements identified

therein be approved for payment. Director Handal seconded said motion, which unanimously carried.

FORT BEND COUNTY CONSTABLE'S OFFICE ("FBCCO") ACTIVITY REPORT

Ms. Armstrong presented a Monthly Contract Deputy Report for the month of June, 2022, from FBCCO, a copy of which is attached hereto as **Exhibit B**.

Mr. Yeates then presented to and reviewed with the Board a budget proposal from FBCCO for three (3) deputies for the 12-month period commencing October 1, 2022 in the annual amount of \$359,260.00, a copy of which is included with **Exhibit B**. Mr. Yeates then responded to questions from the Board. After discussion, it was moved by Director Handal, seconded by Director Battistini and unanimously carried, that the Board approve the budget proposal, as presented, and that the President be authorized to execute same on behalf of the Board and District, for purposes of that certain Joint Funding Agreement for Law Enforcement Services by and among the District, Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34"), and Seven Meadows dated September 25, 2018.

PROPOSED RENEWAL OF LETTER AGREEMENT RELATIVE TO THE DISTRICT'S ANNUAL CONTRIBUTION TOWARD THE NORTH DRAINAGE CHANNEL MAINTENANCE COSTS

The Board next considered a request from Seven Meadows to renew the letter agreement relative to the District's annual contribution toward the maintenance costs for the North Drainage Channel. In connection therewith, Mr. Ponville presented to and reviewed with the Board correspondence from Seven Meadows, dated July 14, 2022, providing specific details of the terms and conditions being sought. A copy of said correspondence is attached hereto as **Exhibit C**. Director Battistini then noted that BGE is in the process of reviewing the cost estimate prepared by Champions, as previously authorized by the Board, for basic maintenance of the District's drainage tracts that are currently maintained by Seven Meadows. After discussion, the Board deferred action on the Seven Meadows request.

Director Haleem entered the meeting at this time.

STATUS OF CONVERSION TO LED BULBS AND PAINTING OF THE DECORATIVE LIGHT POLES IN THE COMMUNITY BY CENTERPOINT ENERGY

Noting that no new updates have been received, the Board deferred consideration of the status of conversion to LED bulbs and painting of the decorative light poles in the community by CenterPoint Energy ("CenterPoint").

Mr. Ponville and Ms. Davis exited the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending July 31, 2022, a copy of which is attached hereto as **Exhibit D**. After discussion, it was moved by Director Haleem, seconded by Director Battistini and unanimously

carried, that the Tax Assessor-Collector Report be approved as presented and that the disbursements identified therein be approved for payment.

2022 TAX RATE RECOMMENDATION

Ms. Crotwell next presented the Board with a Tax Rate Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit E**, and reviewed her recommendation regarding the proposed 2022 debt service and maintenance tax rates. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Mr. Yeates advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Yeates further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He explained that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting. After discussion on the matter, Director Haleem moved that (i) the Board indicate its intention to set a 2022 debt service tax rate of \$0.275 per \$100 of assessed valuation and set a 2022 maintenance tax rate of \$0.105 per \$100 of assessed valuation, resulting in a combined 2022 tax rate of \$0.38 per \$100 of assessed valuation, and (ii) Tax Tech be authorized to publish notice of the District's intention to adopt such 2022 tax rate at its next meeting in the form and at the time required by law. Director Handal seconded said motion, which unanimously carried. The Board concurred that the notice should be published by Tax Tech in the Katy Times.

DELINQUENT TAX REPORT

Mr. Yeates reported that a Delinquent Tax Report was not received this month from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collections attorneys. He stated that the next quarterly report will be provided in October.

ENGINEER'S REPORT

Mr. Jackson presented to and reviewed with the Board a written Engineer's Report dated August 3, 2022, a copy of which is attached hereto as **Exhibit F**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, the Board noted that no action was required on its part in connection with the Engineer's Report at this time.

PROPOSED AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT")

Noting that no new updates have been received, the Board deferred consideration of a proposed agreement with TxDOT relative to the proposed construction of noise barriers in connection with the planned widening of the Grand Parkway from FM 1093 to Interstate 10 (the "Grand Parkway Project").

CHAMPIONS HYDRO-LAWN, INC. ("CHAMPIONS") MAINTENANCE OPERATIONS AT LITTLE PRONG CREEK

Mr. Schroeder next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated August 3, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. It was noted that no action was required of the Board.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. Mr. Yeates advised the Board that there were no updates regarding the District's SWMP at this time.

OPERATIONS REPORT

Mr. Lugo presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of June 2022, a copy of which is attached hereto as **Exhibit H**. Mr. Lugo reported to the Board that the District had approximately 94% water accountability for the reporting period, discussed repairs made throughout the District, and reviewed with the Board an inspection report from Landscape Images of Texas ("LIT"), relative to the District's park facilities. Mr. Lugo also presented one (1) account to be written off in the amount of \$7.46.

In connection with the recently completed valve survey conducted by Inframark throughout the District, as previously authorized by the Board, Mr. Lugo presented to and reviewed with the Board a report summarizing the results of said survey, a copy of which is included with the O&M Report. He then requested that the Board authorize Inframark to proceed with the recommended repairs in the total estimated amount of \$32,775.00.

Mr. Lugo next presented to and reviewed with the Board proposals from LIT to repair the irrigation systems at the District's dog and family park sites, copies of which are attached to the O&M Report, in the total amount of \$1,625.00.

Mr. Yeates next reminded the Board that the North Fort Bend Water Authority has implemented Stage 1 of its Drought Contingency Plan ("DCP"). In connection therewith, he recommended that the Board authorize Inframark to include an insert in upcoming water bills informing District customers of the details of the various stages of the District's DCP.

Director Handal next inquired regarding the status of planning for the proposed community event, to be jointly sponsored by the District and No. 34, tentatively scheduled for October 22, 2022 (the "Fall Community Event"). A discussion then ensued regarding the proposed creation of a planning committee for said event.

After further discussion of the various matters contained in the O&M Report, it was moved by Director Battistini, seconded by Director Haleem and unanimously carried, that the Board: (i) authorize Inframark to (a) write off one (1) account, (b) proceed with the recommended valve repairs within the District, and (c) include an insert detailing the different stages of the District's DCP in upcoming water bills, all as discussed above; (ii) approve LIT's

proposals for the irrigation repairs at the District's dog and family park sites, as recommended by Inframark; and (iii) designate Director Handal to represent the District on a Fall Community Event planning committee to be coordinated by Inframark in cooperation with No. 34.

STATUS OF DISTRICT WEBSITE AND IMPLEMENTATION OF MASS NOTIFICATION SYSTEM; PROPOSED REDESIGN OF THE DISTRICT'S WEBSITE BY APOLLO IT CONSULTING, INC. ("APOLLO")

The Board next considered the continued operation of the District's website and the continuing implementation of the District's mass notification system. In that regard, Mr. Roach presented to and reviewed with the Board an Analytics Report for the month of July 2022, a copy of which is attached hereto as **Exhibit I**. The Board next considered the status of Apollo's redesign of the District's website. In connection therewith, Mr. Roach provided a demonstration of the District's updated and redesigned website and explained the various upgraded features now included in said site.

DISCUSS FILLING OF VACANCY ON BOARD OF DIRECTORS

The Board next discussed the existing vacancy on the District's Board due to Steven Olsen's resignation. In connection therewith, Mr. Yeates presented letters of interest addressed to the Board by Trevor Eynon and Dr. Samik Sil, respectively, copies of which are attached hereto as **Exhibit J**. Mr. Yeates noted that both of the letters were received prior to 5:00 p.m. on Monday, July 25, 2022, the Board's deadline for receipt of such letters. Upon review, the Board requested that SPH invite Dr. Sil and Mr. Eynon to attend the September 7, 2022, Board meeting to discuss their qualifications and interest in potentially serving on the Board.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Mr. Yeates presented to and reviewed in detail with the Board a term sheet prepared by the North Fort Bend Water Authority ("NFBWA") for a proposed Reclaimed Water Facilities Agreement by and among the District, No. 34, and the NFBWA, a copy of which is attached hereto as **Exhibit K**. Mr. Yeates then discussed the pros and cons of the proposed Reclaimed Water Facilities Agreement and responded to various questions from the Board. Mr. Yeates advised the Board that the Term Sheet has been reviewed by No. 34's Board and reported that, at its meeting held on July 26, 2022, No. 34 authorized SPH and BGE to coordinate communications among the various stakeholders. Upon discussion, the Board concurred that (i) Directors Battistini and Haleem serve on a Reclaimed Water Sub-committee on behalf of the Board and District, and (ii) SPH and BGE coordinate communications among the NFBWA, No. 34, the Reclaimed Water Sub-committee, and other stakeholders, in connection with the proposed Reclaimed Water Facilities Agreement.

CLOSED SESSION

The Board determined that it would not be necessary to meet in Closed Session at this time.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. Mr. Watson requested that consideration of an amendment to the Agreement for Bookkeeping Services between the District and MAC be added to the next agenda. The Board concurred to have the matter added to the next agenda.

ADJOURNMENT OF MEETING

There being no further business to come before the Board, Director Handal moved that the meeting be adjourned. Director Feng seconded said motion, which unanimously carried.

(SEAL)




Secretary, Board of Directors

641092_2.docx

TABLE OF EXHIBITS

August 3, 2022

- Exhibit A: Bookkeeper's Report
- Exhibit B: FBCCO Monthly Activity Report; FBCCO Budget Proposal for 2022-2023
- Exhibit C: Seven Meadows correspondence dated July 14, 2022
- Exhibit D: Tax Assessor-Collector's Report
- Exhibit E: 2022 Tax Rate Recommendation
- Exhibit F: Engineer's Report
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Operations and Maintenance Report
- Exhibit I: District Website Analytics Report (July 2022)
- Exhibit J: Letters of Interest from Trevor Eynon and Dr. Samik Sil
- Exhibit K: NFBWA Term Sheet for Proposed Reclaimed Water Facilities Agreement

641092_2.docx