

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

Minutes of Special Meeting of Board of Directors
November 9, 2022

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on November 9, 2022, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas 77056, in accordance with the duly posted notice of special 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, except for Director Battistini, thus constituting a quorum. Director Battistini entered the meeting after it had been called to order as reflected herein.

Also present were: Trevor Eynon, prospective director; Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jeremy Gaskin and Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Chip Patronella of Champions Hydro-Lawn, Inc. ("Champions"); Robert Lugo of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Debra Loggins of L & S District Services, L.L.C. ("L&S"); Brian Desilets of Clarity Consulting Corporation ("Clarity"); and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Roach entered the meeting after it had been called to order, as reflected herein.

COMMENTS FROM THE PUBLIC

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

ACCEPTANCE OF QUALIFICATION STATEMENT, BOND, OATH OF OFFICE, AND AFFIDAVIT OF CURRENT DIRECTOR FOR DIRECTOR

Ms. Henderson reminded the Board that, at its meeting held on October 5, 2022, Mr. Eynon was selected to fill the vacancy on the Board left by the resignation of Steven Olsen. The Board then considered the acceptance of a Qualification Statement, Bond, Oath of Office, and Affidavit of Current Director for Mr. Eynon. After discussion on the matter, it was moved by Director Feng, seconded by Director Handal, and unanimously carried that the Board approve said Bond, and accept said Oath, Statement, and Affidavit, and declare Mr. Eynon duly qualified and appointed to the Board to fill the vacancy left by Mr. Olsen's resignation. Director Eynon participated in the remainder of the meeting.

ELECTION NOT TO DISCLOSE CERTAIN INFORMATION

Ms. Henderson advised that pursuant to Section 552.024 of the Texas Government Code, as amended, each Director may elect to withhold public access to certain information in the

custody of the District, by submittal of an appropriate disclosure form. In that regard, Ms. Henderson presented the disclosure form submitted by Director Eynon for the District's records. It was then moved by Director Feng, seconded by Director Handal and unanimously carried, that the Board accept said Election Not to Disclose Certain Information.

ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS

The Board considered reorganization of the Board and the election of officers. Director Haleem nominated Director Eynon as Assistant Secretary of the Board. After discussion, Director Haleem moved that Director Eynon be appointed as Assistant Secretary of the Board, with the remaining Board members continuing in their respective officer positions. Director Feng seconded said motion, which unanimously carried.

DISTRICT REGISTRATION FORM

Ms. Henderson next presented and reviewed with the Board a District Registration Form to be filed with the Texas Commission on Environmental Quality ("TCEQ") in connection with the election and appointment of directors and the reorganization of the Board and the election of officers. After discussion on the matter, Director Handal moved that the District Registration Form be approved as presented, and SPH be authorized and directed to file same with the TCEQ by the appropriate deadline. Director Eynon seconded said motion, which unanimously carried.

OPEN GOVERNMENT TRAINING REQUIREMENTS

Ms. Henderson next discussed with Director Eynon the training requirements for public officials. She advised that public officials, including directors of a municipal utility district, must complete separate training courses regarding the Texas Open Meetings Act ("OMA") and the Texas Public Information Act ("PIA"). Ms. Henderson then presented to and reviewed with Director Eynon a Memorandum prepared by SPH which summarizes the training requirements. She advised that the deadline for public officials to complete their training is the 90th day after they either take their Oath of Office or otherwise assume their responsibilities as a public official.

Director Battistini entered the meeting during the above discussion.

DISCUSSION OF CONFLICTS DISCLOSURE REPORTING REQUIREMENTS

Ms. Henderson next advised that a Memorandum prepared by SPH and questionnaire regarding conflict of interest disclosure reporting was presented to Director Eynon. She then presented Director Eynon's completed conflict of interest questionnaire for the District's records.

LOCAL GOVERNMENT OFFICERS LIST

Ms. Henderson reminded the Board that, pursuant to Chapter 176 of the Texas Local Government Code, the District is required to maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Feng moved that the District update its list of local government officers as required by law. Director Handal seconded said motion, which unanimously carried.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of its meeting held on October 5, 2022. After discussion, Director Handal moved that the minutes for said meeting be approved, as written. Director Battistini seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated November 9, 2022, a copy of which is attached hereto as **Exhibit A**. Mr. Watson next reviewed with the Board the Quarterly Investment Report for the period ending September 30, 2022, a copy of which is included with the Bookkeeper's Report. After discussion, Director Haleem moved that (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, and (ii) the Quarterly Investment Report be approved, as presented, and the District's Investment Officers be authorized to execute same on behalf of the Board and the District. Director Handal seconded said motion, which unanimously carried.

COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS

The Board next considered the status of the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Henderson reminded the Board that, pursuant to the energy efficiency and reporting requirements set forth in Texas Government Code, Chapter 2265, the District must prepare an annual report of its metered usage of electricity and the aggregate costs for same. In connection therewith, Mr. Watson presented to and reviewed with the Board a Cost and Usage Report, a copy of which is attached to the Bookkeeper's Report. Ms. Henderson noted that said report satisfies the statutory reporting requirements and no further action is required by the Board.

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

Ms. Henderson presented a Monthly Contract Deputy Report for the month of October, 2022, from FBCCO, a copy of which is attached hereto as **Exhibit B**. It was noted that no action was required of the Board.

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

The Board next considered the status of conversion to LED bulbs and painting of the decorative light poles in the community by CenterPoint Energy ("CenterPoint") pursuant to the District's LED Street Light Installation Agreement with CenterPoint (the "LED Agreement"), which was approved by the Board at its meeting held on July 7, 2021. With regard thereto, Henderson advised that Billy Haehnel, President of the Board of Directors of Fort Bend County Municipal Utility District No. 34 ("No. 34"), recently advised SPH that he has been unable to resubmit both the District's and No. 34's LED Agreements to CenterPoint and requested that SPH attend to same. Accordingly, Ms. Henderson reported that SPH resubmitted said Agreements to CenterPoint on October 11, 2022.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending October 31, 2022, a copy of which is attached hereto as **Exhibit C**. She next presented a draft reminder message regarding payment of District customers' 2022 taxes, a copy of which is attached to the Tax Assessor-Collector Report, and requested that the Board authorize Tax Tech to coordinate the printing of said message on customers' upcoming water bills. After discussion, it was moved by Director Handal, seconded by Director Battistini and unanimously carried, (i) that the Tax Assessor-Collector Report be approved as presented and that the disbursements identified therein be approved for payment, and (ii) that, going forward, Tax Tech be authorized to coordinate the printing of a reminder message on District customers' December water bills regarding payment of the current year's taxes.

DELINQUENT TAX REPORT

Ms. Henderson 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. She stated that the next quarterly report will be provided in January.

ENGINEER'S REPORT

Mr. Safe next presented to and reviewed with the Board a written Engineer's Report dated November 9, 2022, a copy of which is attached hereto as **Exhibit D**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. With regard to the proposed purchase and installation of an emergency generator at the joint remote water well site ("Remote Well Generator Project"), Mr. Safe reported that BGE received three (3) bids for the project yesterday. He advised the Board that McDonald Municipal and Industrial submitted the apparent low bid but requested that the Board defer award of the contract until BGE completes its review and evaluation of the bids.

The Board next considered the District's proposed participation in the North Fort Bend Water Authority ("NFBWA") effluent reuse program. In connection therewith, Mr. Safe reported that the District's and No. 34's Reclaimed Water Sub-Committees met last week to discuss the term sheet prepared by the NFBWA relative to a proposed Reclaimed Water Facilities Agreement with the NFBWA. He and Ms. Henderson then provided a summary of the discussion that took place at said meeting. Ms. Henderson noted that comments to the term sheet produced in the Sub-Committee meeting were subsequently forwarded to the NFBWA by SPH and advised the Board that SPH has not yet received a response from the NFBWA to said comments.

Mr. Safe next introduced Mr. Gaskin, who addressed the Board regarding the proposed creation of a Geographic Information System ("GIS") database for the District and reviewed implementation of Options A through D, details of which are included in the Engineer's Report. Mr. Gaskin then provided a presentation to the Board of the various aspects of a GIS database and the functions available to the District's Engineer and Operator. Mr. Gaskin and Mr. Safe then responded to questions from the Board regarding various matters related to the proposed GIS database, including the up-front costs and monthly maintenance of same. Following a lengthy discussion, the Board requested that BGE prepare a formal proposal for implementation of GIS database Options C and D, as detailed in the Engineer's Report, for consideration at its

next meeting in December.

It was noted that no action was required of the Board in connection with the Engineer's Report at this time.

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

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") after noting that no new updates have been received.

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

Mr. Patronella next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated November 9, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit E**. 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. Henderson 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 September 2022, a copy of which is attached hereto as **Exhibit F**. Mr. Lugo reported to the Board that the District had approximately 99% 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 five (5) accounts to be referred to collections in the total amount of \$1,066.91. Director Battistini next reported that, over the last few months, he has observed numerous commercial vehicles parked overnight in the parking lot at the District's Family Park. The Board noted that this has been an ongoing issue and requested that Inframark obtain a proposal for the fabrication and installation of "No Parking" signs at the Family Park, which would prohibit parking during the hours that the park is closed. After further discussion of the various other matters contained in the O&M Report, it was moved by Director Handal, seconded by Director Battistini and unanimously carried, that the Board authorize Inframark to send the five (5) accounts to collections, as discussed above.

Mr. Lugo next updated the Board regarding the community event held on October 22, 2022, which was jointly sponsored by the District and No. 34 (the "Fall Community Event"). He reported that the event was a complete success.

Mr. Lugo next advised the Board that Inframark is implementing a set due date for all water bills to be the first of the month following receipt of such bill.

NFBWA 2022 WATER PROVIDER CONSERVATION PROGRAM REPORT AND 2023 ENROLLMENT

The Board deferred discussion regarding the status of the District's participation in the NFBWA 2022 Water Provider Conservation Program and the District's enrollment in the 2023 Water Provider Conservation Program.

DISTRICT WEBSITE AND MASS NOTIFICATION MESSAGING MATTERS

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 summarized the status of activity and trends in traffic to the District's website for the month of October 2022. Mr. Roach next addressed the Board regarding the status of implementation of the District's mass notification system and reviewed the various methods by which new and existing District customers might be notified regarding same. After discussion, the Board concurred for Inframark to provide the phone numbers for all District customers to Apollo for inclusion in the District's mass notification system and directed Apollo to include an opt-out option on all future text messages distributed by Apollo on behalf of the District.

EMINENT DOMAIN REPORT

Ms. Henderson reported that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). She explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Handal, seconded by Director Eynon and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District prior to February 1, 2023.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In that regard, Ms. Henderson advised that the District's Financial Advisor, Masterson Advisors, LLC ("Masterson"), had provided SPH, on behalf of the District, with Masterson's MSRB Rule G-10 Annual Disclosure.

With the exception of the Board, Ms. Loggins, Mr. Desilets, Ms. Henderson and Ms. Walsh, all remaining attendees left the meeting at this time.

PROPOSALS FOR BOOKKEEPING SERVICES

Ms. Henderson advised the Board that SPH solicited proposals for bookkeeping services, as directed by the Board, and received proposals from Clarity and L&S, copies of which are attached hereto as **Exhibit G**. She then advised the Board that representatives of Clarity and L&S are in attendance to discuss their proposals to perform the District's bookkeeping services.

Mr. Desilets exited the meeting at this time.

The Board recognized Ms. Loggins, who introduced herself and discussed her background and L&S' qualifications with the Board. She then presented to and reviewed with

the Board a proposal for bookkeeping services prepared by L&S. Ms. Loggins then answered various questions from the Board.

The Board thanked Ms. Loggins for her time and she exited the meeting. Mr. Desilets entered the meeting at this time.

The Board recognized Mr. Desilets, who introduced himself and discussed his background and Clarity's qualifications with the Board. He then presented to and reviewed with the Board a proposal for bookkeeping services prepared by Clarity. Mr. Desilets then answered various questions from the Board.

The Board thanked Mr. Desilets for his time and he exited the meeting at this time.

The Board then discussed the proposal materials, interviews, and qualifications of each firm. After due discussion, Director Handal moved that the Board engage Clarity as the District's Bookkeeper, and that an item be placed on the December meeting agenda to review and approve a Bookkeeping Services Agreement with Clarity. Director Battistini seconded said motion, which unanimously carried.

THIRD AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

The Board then considered the Third Amended and Restated Agreement for Bookkeeping Services between the District and MAC (the "MAC Agreement"), which was previously presented for the Board's consideration at its meeting held on September 7, 2022. After discussion, it was moved by Director Handal, seconded by Director Battistini and unanimously carried, that (i) the Board decline the MAC Agreement, (ii) the District's current bookkeeping agreement with MAC be terminated, and (iii) SPH be authorized to prepare and send a thirty (30) day Notice of Termination to MAC on the District's behalf in accordance with the terms of the current bookkeeping 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. No other specific agenda items other than routine and ongoing matters, or those discussed above, were requested.

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.




Assistant Secretary, Board of Directors

TABLE OF EXHIBITS

November 9, 2022

Exhibit A: Bookkeeper's Report; Quarterly Investment Report

Exhibit B: FBCCO Monthly Activity Report

Exhibit C: Tax Assessor-Collector's Report

Exhibit D: Engineer's Report

Exhibit E: Detention and Drainage Facilities Report

Exhibit F: Operations and Maintenance Report

Exhibit G: Proposals for Bookkeeping Services