

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

Minutes of Meeting of Board of Directors  
March 1, 2023

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on March 1, 2023, 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	Secretary
Shah Haleem	Assistant Secretary
Trevor Eynon	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were: Brian Desilets and Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Avik Bonnerjee of B&A Municipal Tax Service, LLC ("B&A"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); ElizaBeth Reeves and Dawn Mouton of Inframark ("Inframark"); and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Safe 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.

**APPROVAL OF MINUTES**

As the next order of business, the Board considered approval of the minutes of its meeting held on February 1, 2023. After discussion, Director Handal moved that the minutes for said meeting be approved, as written. Director Haleem seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Mr. Desilets presented to and reviewed with the Board the Bookkeeper's Report dated March 1, 2023, including an Investment Inventory Report for the period of February 1, 2023, through February 28, 2023, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Handal moved that: (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 10073, which was voided, and (ii) the Investment Report for February 2023 be approved, and that the District's

Investment Officer be authorized to execute same on behalf of the Board and the District. Director Battistini seconded said motion, which unanimously carried.

### **PROPOSED SERVICE AGREEMENT WITH PAYCHEX, INC.**

Mr. Desilets next inquired whether the Board is interested in transitioning to direct deposit for director per diems, expense reimbursements, and payroll tax payment and reporting services through Paychex, Inc. In connection therewith, Ms. Henderson advised that she performed a brief review of Paychex' standard form of agreement and summarized her preliminary findings for the Board. Following discussion, the Board declined to proceed with transitioning to such service and requested that the item be removed from the next agenda.

Mr. Safe entered the meeting during the above discussion.

### **STATUS OF CONTINUING DISCLOSURE REPORT**

Ms. Henderson advised the Board that the annual continuing disclosure report will be filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel, prior to the March 30, 2023 deadline.

### **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending February 28, 2023, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Handal, 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.

### **SALES AND USE TAX AUDIT REPORT FROM B&A**

Mr. Bonnerjee presented to and reviewed with the Board the Sales and Use Tax Audit Report prepared by B&A, a copy of which is attached hereto as **Exhibit C**. After discussion, it was noted that no action was required by the Board in connection with the Sales and Use Tax Audit Report at this time.

### **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 April.

Mr. Bonnerjee left the meeting at this time.

### **UNCLAIMED PROPERTY**

The Board considered authorizing District consultants to research the District's accounts for unclaimed property and to authorize Clarity to prepare an Unclaimed Property Report as of March 1, 2023. Ms. Henderson advised the Board that the District's consultants will review their

records and provide Clarity with a current listing of any unclaimed property in the District's accounts for preparation of the Unclaimed Property Report. She further advised the Board that Clarity will file the report with the Comptroller of Public Accounts of the State of Texas (the "Comptroller") and discharge any unclaimed funds to the Comptroller by July 1, 2023. After discussion, Director Handal moved that the consultants be authorized to provide current listings of any and all unclaimed property to Clarity and that, should any unclaimed property exist, Clarity be authorized to file an Unclaimed Property Report with the Comptroller. Director Battistini seconded said motion, which unanimously carried.

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

Ms. Henderson presented a Monthly Contract Deputy Activity Report for the month of January 2023, regarding FBCCO, a copy of which is attached hereto as **Exhibit D**. She further reported Lieutenant Steve Holtz recently advised that the FBCCO is still working to fill the night shift, which has been vacant for several months. It was noted that no action was required by the Board in connection with the FBCCO Report at this time.

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

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"), noting that no new updates have been received, and requested that this item be removed from the agenda going forward.

#### **ENGINEER'S REPORT**

Mr. Safe next presented to and reviewed with the Board a written Engineer's Report dated March 1, 2023, a copy of which is attached hereto as **Exhibit E**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, it was noted that no action was required by the Board in connection with the Engineer's Report at this time.

#### **ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board next considered the review of an annual survey of prevailing wage rate scales for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Henderson reported that SPH is recommending that the District continue to adopt the wage rate scales as determined by the United States Department of Labor ("DOL") for Fort Bend County (the "County"). After discussion on the matter, Director Battistini moved that the DOL wage rate scales for the County be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which Resolution is attached hereto as **Exhibit F**, be adopted by the Board. Director Handal seconded said motion, which unanimously carried.

## **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").

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

Ms. Henderson next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated March 1, 2023, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Mr. Safe noted the condition of a portion of Little Prong Creek at Fry Road, as depicted in the D&D Report, which was previously repaired by Double Oak Erosion ("Double Oak") utilizing the ShoreSOX erosion repair system. He advised the Board that BGE is aware of the situation and will contact Double Oak to repair and rehabilitate the area, which is still under warranty. 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. Ms. Henderson noted that there were no updates at this time.

## **ANNUAL FILINGS OF CRITICAL LOAD STATUS FACILITIES**

Ms. Henderson advised that Section 13.1396 of the Texas Water Code, as amended, requires that a District must annually submit to each electric distribution utility and each retail electric utility provider a list of its facilities which may qualify for critical load status and various emergency contact information for a determination that the facilities qualify for critical load status. After discussion on the matter, Director Battistini moved that Inframark be authorized to make such annual filings on behalf of the District, with BGE to assist Inframark, if required. Director Handal seconded the motion, which unanimously carried.

## **OPERATIONS REPORT**

Ms. Reeves presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of January 2023, a copy of which is attached hereto as **Exhibit H**. Ms. Reeves reported to the Board that the District had approximately 97% 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. She also presented one (1) account to be written off in the amount of \$20.48 and three (3) delinquent account to be referred to collections in the amount of \$370.87. Ms. Reeves then reported that the District has been enrolled in the North Fort Bend Water Authority Water ("NFBWA") 2023 Conservation Program. After discussion, Director Handal moved that the Board authorize Inframark to write off one (1) account and refer three (3) delinquent account to collections, as detailed above. Director Battistini seconded the motion, which unanimously carried.

A discussion next ensued regarding the proposed installation of a commemorative bench at the District's Family Park. In connection therewith, Director Haleem presented a list of possible individuals to be honored by the installation of such a bench at said park. A copy of the list of proposed honorees is included with **Exhibit H**. After discussion, the Board identified an individual to be memorialized and concurred that Directors Haleem and Eynon should proceed to contact the Fort Bend County Sheriff's Office and/or the family of said individual in order to obtain consent to proceed. The Board further requested that Inframark obtain a proposal for the installation of a commemorative bench at the District's Family Park.

### **NFBWA WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT**

The Board next considered authorizing Inframark to prepare and file the Annual Implementation Report regarding the District's Water Conservation Plan with the Texas Water Development Board and NFBWA. After discussion, Director Battistini moved that Inframark be authorized to prepare the Annual Implementation Report and file same with the Texas Water Development Board and NFBWA prior to the May 1, 2023, deadline. Director Handal seconded said motion, which carried unanimously.

### **DISTRICT WEBSITE AND MASS NOTIFICATION MESSAGING MATTERS**

The Board deferred consideration of the continued operation of the District's website and its mass notification system.

### **REVIEW AND APPROVAL OF PROPOSAL FOR RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board discussed the District's various insurance coverages scheduled to expire on March 31, 2023. In that regard, Ms. Henderson reviewed with the Board the insurance renewal proposal received from Arthur J. Gallagher ("AJG"), the District's current insurance provider, for the 2023 – 2024 policy term, which was previously considered by the Board at its meeting in February. She then presented to and reviewed with the Board an additional proposal from McDonald & Wessendorff ("McDonald") for the 2023 – 2024 policy term, a copy of which is attached hereto as **Exhibit I**. After discussion on the matter, Director Battistini moved that (i) the proposal from McDonald be accepted and that the President be authorized to execute the accepted proposal on behalf of the Board and the District, (ii) the Texas Ethics Commission ("TEC") Form 1295 received from McDonald be accepted by the District and that SPH be authorized to acknowledge the District's receipt of same with the TEC, and (iii) additional check no. 10083 payable to McDonald in the amount of \$12,388 be approved. Director Handal seconded said motion, which unanimously carried. The Board then directed Clarity to void check no. 10029 payable to AJG, which was previously approved by the Board at its meeting in February.

### **ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson presented to and reviewed with the Board correspondence received from the attorney for the Willow Fork Drainage District ("Willow Fork") inquiring whether the Board is interested in sharing the cost for the construction of a proposed walking and bike path on the west side of

Beckendorff Junior High School ("Beckendorff"), extending from the sidewalk adjacent to Fry Road to the campus bicycle parking area (the "Beckendorff Project"), as depicted in an aerial photograph included with said correspondence, a copy of which is attached hereto as **Exhibit J**. She noted that an exhibit depicting Beckendorff's attendance zone, as well as the District and Willow Fork's respective boundaries and home counts (the "Cost Sharing Exhibit") has also been provided. A copy of the Cost Sharing Exhibit is included with **Exhibit J**. Ms. Henderson then reported that the estimated total cost for construction of the proposed path is approximately \$10,000 and advised the Board that, should it choose to participate in the project, Willow Fork is requesting that the District contribute a seventy-five percent (75%) pro rata share, as illustrated in the Cost Sharing Exhibit, of the total cost or approximately \$7,500. Ms. Henderson then reminded the Board that a resident of the District requested the Board construct the same walking and bike path at the June 1, 2022 Board meeting and that the Board declined to move forward with the request. Following a lengthy discussion, Director Haleem moved that the District agree to participate in the Beckendorff Project and contribute \$7,500 for same. Director Feng seconded the motion and, with Directors Haleem and Feng voting "aye" and Directors Battistini, Handal and Eynon voting "nay", the motion failed. The Board requested that Ms. Henderson advise Willow Fork of its decision.

### **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.

(SEAL)



  
Secretary, Board of Directors

**TABLE OF EXHIBITS**

**March 1, 2023**

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Sales and Use Tax Audit Report
- Exhibit D: FBCCO Monthly Activity Report
- Exhibit E: Engineer's Report
- Exhibit F: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Operations and Maintenance Report
- Exhibit I: Insurance Proposal from McDonald & Wessendorff, 2023-2024 Term
- Exhibit J: Correspondence from Willow Fork Drainage District regarding proposed walking and bike path