

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

Minutes of Meeting of Board of Directors
April 5, 2023

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on April 5, 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, except for Director Haleem, thus constituting a quorum. Director Haleem entered after the meeting had been called to order, as noted herein.

Also present were: Brian Desilets of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); ElizaBeth Reeves and Dawn Mouton of Inframark ("Inframark"); Garima Dasgupta, a resident of the District; Dane Turner of Best Trash, LLC ("Best Trash"); and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Turner and Ms. Dasgupta 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 March 1, 2023. After discussion, Director Eynon moved that the minutes for said meeting be approved, as written. Director Handal seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Desilets presented to and reviewed with the Board the Bookkeeper's Report dated April 5, 2023, including an Investment Inventory Report for the period of March 1, 2023, through March 31, 2023, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Battistini moved that: (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, and (ii) the Investment Report for March 2023 be approved, and that the District's Investment Officer be authorized to execute

same on behalf of the Board and the District. Director Eynon seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report was filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel, on March 27, 2023, 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 March 31, 2023, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Battistini, seconded by Director Handal and unanimously carried that the Tax Assessor-Collector Report be approved as presented and that the disbursements identified therein be approved for payment.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated April 5, 2023, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collections attorneys. A copy of said report is attached hereto as **Exhibit C**. The Board noted there were no action items in the report.

Director Haleem entered the meeting during the above discussion.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Henderson advised that the Board is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 4, 2023. After further discussion, it was moved by Director Eynon, seconded by Director Haleem, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit D**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2022 delinquent real property tax accounts on July 1, 2023, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

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

Ms. Henderson presented a Monthly Contract Deputy Activity Report for the month of

February 2023, regarding FBCCO, a copy of which is attached hereto as **Exhibit E**. It was noted that no action was required by the Board in connection with the FBCCO Report at this time.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated April 5, 2023, 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, it was moved by Director Handal that the Engineer's Report and all action items listed therein be approved, including concurrence with Fort Bend County Municipal Utility District No. 34, of Fort Bend County Texas: (i) acceptance of HTS, Inc.'s ("HTS") proposal in the approximate total amount of \$2,996 for materials testing in connection with the installation of an emergency generator at the joint Remote Well Site as well as the related Texas Ethics Commission ("TEC") Form 1295, copies of which are attached to the Engineer's Report, and authorization for SPH to acknowledge the District's receipt of HTS' TEC Form 1295 with the TEC; and (ii) approval of Pay Request No. 1 from McDonald Municipal and Industrial in the amount of \$13,500 in connection with the installation of the permanent emergency generator at the joint Remote Well Site. Director Haleem seconded said motion, which unanimously carried.

PROPOSED CONSTRUCTION OF NOISE BARRIER BY THE TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT")

The Board next considered the status of communications 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"). In connection therewith, Director Handal provided the Board with an update regarding TxDOT's plans and activities as well as Seven Meadows Community Association, Inc.'s communications with TxDOT relative to same.

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 April 5, 2023, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. Following discussion, it was noted that no action was required of the Board in connection with the D&D Report at this time.

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.

OPERATIONS REPORT

Ms. Mouton presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of February 2023, a copy of which is attached hereto as **Exhibit H**. Ms. Mouton reported to the Board that the District had approximately 96% 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. Ms. Mouton further reported that repairs of certain water valves within the District identified by the valve survey conducted by Inframark throughout the District, are complete. She next presented one (1) account to be written off in the amount of \$12.37 and nine (9) delinquent accounts to be referred to collections in the total amount of \$6,677.73. Following a discussion regarding the District's current policy on security deposits, the Board requested that an item be added to next month's agenda to consider amending the District's Rate Order relative to same.

Ms. Mouton next presented a flier, a copy of which is attached to the O&M Report, advertising the upcoming Water Festival Event, coordinated by Inframark with sponsorship by the District and other neighboring utility districts, which is being held at La Centerra on April 22, 2023. She reported that a copy of the flier has been uploaded to the District's website. The Board requested that said flier also be included in upcoming water bills.

The Board next considered the status of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Ms. Mouton presented to and reviewed with the Board the Annual Program Report (the "Report"), a copy of which is attached to the O&M Report. She advised that said Report (i) indicates that no incidents of identity theft have occurred during the period of January 2022 through December 2022, and (ii) recommends that no changes be made to said Program at this time. The Board concurred with said recommendation.

The Board next considered authorizing Inframark to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Ms. Henderson advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality ("TCEQ"), the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2023.

After discussion, it was moved by Director Eynon, seconded by Director Haleem and unanimously carried, that the Board authorize: (i) Inframark to (a) write off one (1) account and refer nine (9) delinquent account to collections, as detailed above, and (b) prepare a draft CCR for review and approval by the Board; and (ii) SPH to review the draft CCR for compliance with the TCEQ's regulatory requirements and its 2022 template.

Ms. Dasgupta and Mr. Turner entered the meeting during the above discussion. Mr. Safe exited the meeting after the O&M Report.

STATUS OF NORTH FORT BEND WATER AUTHORITY WATER ("NFBWA") WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

With regard to the Annual Implementation Report regarding the District's Water Conservation Plan, Ms. Mouton stated that said report will be filed with the Texas Water Development Board and the NFBWA prior to the May 1, 2023, deadline, as previously authorized by the Board.

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.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson introduced Ms. Dasgupta, who advised the Board that she wishes to coordinate a Native Plant Event within the District. With regard thereto, she presented to and reviewed with the Board correspondence, a copy of which is attached hereto as **Exhibit I**, summarizing various past events she has organized and providing certain details regarding the proposed Native Plant Event. Ms. Dasgupta then inquired whether the Board has any objection to her holding such an event at the District's Family Park and whether the Board is willing to contribute funds and/or handouts for same. After discussion, the Board indicated it has no objection to Ms. Dasgupta holding the proposed Native Plant Event in the District's Family Park. The Board declined to contribute funds for the proposed Native Plant Event but requested that Inframark contact the NFBWA to coordinate supplying certain items to be given away to attendees at said event.

The Board next considered the annual Consumer Price Index ("CPI") adjustment for garbage collection and recycling collection services for the District. In that regard, Mr. Turner presented for the Board's review correspondence from Best Trash dated March 27, 2023, a copy of which is attached hereto as **Exhibit J**, providing notice of a 5.664% increase to the rate charged for monthly solid waste collection and disposal and recycling services from \$20.24 to \$21.39, effective June 1, 2023, based on an increase in the CPI-U Garbage and Trash Index for the most current twelve-month reporting period, in accordance with the terms of the Residential Solid Waste Collection, Disposal and Recycling Agreement by and between the District and Best Trash (the "Best Trash Agreement"). Mr. Turner then advised the Board that Best Trash is requesting an additional increase of \$1.18 per connection per month due to higher operating costs, as set forth in Best Trash's correspondence dated March 27, 2023, a copy of which is included in **Exhibit J**. Mr. Turner stated that, should the additional increase be approved by the Board, the monthly base fee for solid waste collection and disposal and recycling services will increase from \$20.24 to \$22.57 per connection per month, effective June 1, 2023. Ms. Henderson noted that the District may need to amend its Rate Order to address the CPI increase and additional increase requested by Best Trash. Mr. Turner then responded to various questions from the Board regarding Best Trash's request for an additional increase. After discussion on the matter, the Board concurred to (i) approve an increase in the monthly base fee for solid waste collection and disposal and recycling services from \$20.24 to \$22.57 per connection, as detailed above, effective June 1, 2023, (ii) authorize SPH to prepare an amendment to the Best Trash Agreement relative to the increase in the base rate to be paid to Best Trash, as discussed above, to be considered at its next meeting, and (iii) that an amendment of the District's Rate Order with respect to the monthly residential sanitary sewer service rate was not necessary at this time.

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 Battistini seconded said motion, which unanimously carried.

(SEAL)




Secretary, Board of Directors

TABLE OF EXHIBITS

April 5, 2023

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Delinquent Tax Report
- Exhibit D: Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit E: FBCCO Monthly Activity Report
- Exhibit F: Engineer's Report
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Operations and Maintenance Report
- Exhibit I: Correspondence regarding proposed Native Plant Event
- Exhibit J: Best Trash – Correspondence regarding annual CPI adjustment and request for additional increase