

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

Minutes of Meeting of Board of Directors
August 2, 2023

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on August 2, 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 Director Shah, thus constituting a quorum. Director Shah entered after the meeting was called to order, as noted herein.

Also present were: Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"), who entered later in the meeting as noted herein; Dawn Mouton of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Ahsan Quddus, a resident of the District; and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Quddus entered after the meeting was called to order, as noted 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 July 5, 2023. After discussion, Director Handal moved that the minutes for said meeting be approved, as written. Director Eynon seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Gonzalez presented to and reviewed with the Board the Bookkeeper's Report dated August 2, 2023, including an Investment Report for the period of July 1, 2023, through July 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 July 2023 be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Feng seconded said motion, which unanimously carried.

Director Shah and Mr. Schroeder each entered the meeting during the above discussion.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores next presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending July 31, 2023, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Eynon, seconded by Director Haleem and unanimously carried that the Tax Assessor-Collector Report be approved as presented and that the disbursements identified therein be approved for payment.

2023 TAX RATE RECOMMENDATION

Ms. Moran next presented the Board with a 2023 Debt Service Tax Rate Recommendation prepared by Masterson, a copy of which is attached hereto as **Exhibit C**, and reviewed Masterson's recommendation regarding the proposed 2023 debt service and maintenance tax rates. She advised that Masterson is recommending a proposed 2023 debt service tax rate of \$0.255. A discussion ensued regarding the District's levy of a 2023 maintenance tax. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2023 tax rate. Ms. Henderson 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. Ms. Henderson 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. She 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 Handal moved that (i) the Board provide notice of its intent to levy a 2023 debt service tax rate of \$0.255 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.10 per \$100 of assessed valuation, resulting in a combined 2023 tax rate of \$0.355 per \$100 of assessed valuation, and (ii) Tax Tech be authorized to publish notice of the District's intention to adopt such 2023 tax rate at its next meeting in the form and at the time required by law. Director Feng seconded said motion, which unanimously carried. The Board concurred that the notice should be published by Tax Tech in the *Katy Times*.

Mr. Quddus entered the meeting during the above discussion.

COMMENTS FROM THE PUBLIC

The Board next recognized Mr. Quddus, who addressed the Board to request a waiver of non-sufficient funds and door tag fees applied to his account in the total amount of \$75. Following a lengthy discussion regarding the specific facts and circumstances surrounding Mr. Quddus' account, the Board requested that Inframark follow up with Mr. Quddus after the meeting to collect more information from him and investigate the matter further. Director Feng moved that Director Handal be authorized to review Inframark's findings and approve Mr. Quddus' request for a waiver of the fees accrued to his account should the findings provide sufficient support for same. Director Haleem seconded the motion, which unanimously carried.

Mr. Quddus left the meeting 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 October.

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

Ms. Henderson presented a Monthly Contract Deputy Activity Report for the month of June 2023, regarding FBCCO, a copy of which is attached hereto as **Exhibit D**. 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 August 2, 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 moved by Director Eynon that the Engineer's Report and all action items listed therein be approved, including approval of Pay Estimate No. 3 in the amount of \$54,000 from McDonald Municipal and Industrial in connection with the contract for Installation of Permanent Emergency Generator at Remote Well Site. Director Handal seconded said motion, which unanimously carried.

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 2, 2023, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit F**. Mr. Schroeder next presented to and reviewed with the Board a proposal dated August 2, 2023, a copy of which is included with **Exhibit F**, in the total estimated amount of \$17,600 for maintenance and rehabilitation of the landscaping at the District's Dog Park, as discussed at last month's Board meeting. He advised the Board that, should it wish to proceed with the project, Champions recommends waiting until October to perform the work. Following discussion, the Board deferred approval of Champions' proposal.

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 June 2023, a copy of which is attached hereto as **Exhibit G**. Ms. Mouton 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. She next presented three (3) delinquent account to be referred to collections in the total amount of \$2,009.55. Ms. Mouton next advised the Board that Inframark received a request from a District resident to repair a sidewalk safety hazard, which the resident

believed to be caused by the District's sanitary sewer manhole. She reported that, a dye test was completed by Inframark that indicated the issue was not the sanitary sewer manhole. After discussion, Director Eynon moved that: (i) the Board authorize Inframark to refer three (3) delinquent account to collections; and (ii) the District resident's request to repair a sidewalk be denied as Inframark's inspection confirmed that the District's facilities did not cause damage to the subject sidewalk. Director Battistini seconded the motion, which unanimously carried.

The Board then discussed installation of a commemorative bench at the District's Family Park. Ms. Mouton noted that she is waiting to receive the final wording for the memorial engraving on said bench from the Memorial Committee and has therefore not yet obtained a final proposal for the purchase and installation of said bench.

With regard to the District's joint community event to be conducted in cooperation with Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34"), the Board concurred with Ms. Mouton's suggestion that the event be held in October. Ms. Mouton then advised the Board that she will bring a draft flyer advertising the event to the next meeting for the Board's review and approval.

Ms. Henderson next reported that Inframark was recently contacted by a District customer who requested that the District trim and mitigate root intrusion from certain trees within a District-owned Reserve located adjacent to the customer's property. Noting that said customer resides within Seven Meadows, Ms. Henderson reminded the Board of the Maintenance Agreement between the District and Seven Meadows Community Association, Inc. (the "HOA"), wherein the District contributes \$35,111 annually to the HOA for the purpose of maintaining certain areas for drainage purposes. Following discussion, the Board concurred that the Agreement provides that the HOA is responsible for all costs associated with maintaining the area that are in excess of \$35,111. Director Handal then moved that the Board deny the request for the District to prune the subject trees. Director Eynon seconded the motion, which unanimously carried. The Board then requested that SPH coordinate with Inframark to explain the Board's position to the customer and provide a copy of the Maintenance Agreement for reference.

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 presented to and reviewed with the Board an Analytics Report, a copy of which is attached hereto as **Exhibit H**. Mr. Roach next requested that the Board consider authorizing Apollo to purchase another domain name for the District for use in text notifications to District customers. He advised the Board that the cost for the additional domain is \$3.99 for the first year, and approximately \$32 per year, thereafter. It was then moved Director Handal moved that the Board authorize Apollo to purchase another domain, as discussed above. Director Eynon seconded the motion, which unanimously carried.

ATTORNEY'S REPORTS

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson advised that the District received correspondence from the Fort Bend Central Appraisal District ("FBCAD") Board of Directors dated July 31, 2023, in connection with the FBCAD's Board of Directors 2023 Election and the District's voting entitlement and right to nominate a person to serve as a director of the FBCAD. Ms. Henderson noted that the District is entitled to cast a total

of seven (7) votes in order to nominate by resolution one candidate for FBCAD's Board of Directors. She noted that the two (2) candidates listed on the ballot are Thomas Brown and Michael D. Rozell. After discussion, Director Haleem moved to nominate Michael D. Rozell to serve on the Board of Directors of the FBCAD, that the Resolution relative to same, attached hereto as **Exhibit I**, be approved, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Eynon seconded said motion, which unanimously carried.

Ms. Henderson next reported that she and Director Shah were both recently contacted by representatives of the Board of Directors of Avalon at Seven Meadows Community Association, Inc. ("Avalon") regarding Avalon's concerns relative to the lakes located within the Avalon community. In connection therewith, she presented correspondence dated July, 17, 2023, directed to Director Haleem by Galen Dino, President of Avalon's Board of Directors, a copy of which is attached hereto as **Exhibit J**. Ms. Henderson reminded the Board that it previously discussed the concerns detailed in Avalon's correspondence earlier this year in January and February and, further, that Mr. Safe participated in a meeting with Mr. Dino and Brian O'Kelly, who is a member of Avalon's Board of Directors, in January, pursuant to the Board's request, to address Avalon's request made in December 2022 relative to dredging the subject lakes and to explain the functions of the lakes and the maintenance thereof. After discussion, the Board requested that SPH and BGE coordinate a response to Avalon's correspondence and provide notice that the Board will consider whether to proceed with rehabilitation of the lakes located within Avalon's community upon receipt of a proposal for same, should one be obtained by Avalon.

Ms. Flores and Messrs. Gonzalez and Roach left the meeting during the above discussion.

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 Eynon seconded said motion, which unanimously carried.




Secretary, Board of Directors

TABLE OF EXHIBITS

August 2, 2023

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: 2023 Tax Rate Recommendation
- Exhibit D: FBCCO Monthly Activity Report
- Exhibit E: Engineer's Report
- Exhibit F: Detention and Drainage Facilities Report
- Exhibit G: Operations and Maintenance Report
- Exhibit H: District Website and Messaging Analytics Report
- Exhibit I: Resolution relative to FBCAD Board of Directors Election
- Exhibit J: Email correspondence from Galen Dino, President of Avalon's Board of Directors