

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

Minutes of Meeting of Board of Directors  
February 7, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on February 7, 2024, 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: Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Wendy Ramirez of FORVIS, LLP ("FORVIS"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); David Beyer of Storm Water Solutions, LLC ("SWS"); Dawn Mouton of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Joelle Hardin and Priya Natarajan of the Michael L. Griffin Elementary Parent Teacher Association (the "Griffin PTA"); Sandeep Patil, a resident of the District; Stephanie Halbert of ICS Infrastructure Construction Services ("ICS"); and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before it.

**COMMENTS FROM THE PUBLIC**

The Board began by opening the meeting for public comments. In that regard, the Board recognized Ms. Hardin and Ms. Natarajan, who addressed the Board on behalf of the Griffin PTA to request funding from the District for proposed playground improvements for the school. In connection therewith, Ms. Hardin presented to and reviewed with the Board a schematic depicting proposed improvements and an estimate for same in the amount of \$245,893.13, copies of which are attached hereto as **Exhibit A**. After discussion, the Board advised that it would require time to consider the matter and requested that an item be added to the next agenda for further discussion regarding the Griffin PTA's request.

Ms. Hardin and Ms. Natarajan left the meeting at this time.

The Board next recognized Mr. Patil, who addressed the Board on behalf of the Board of Directors of Avalon at Seven Meadows Community Association, Inc. ("Avalon") to make certain inquiries regarding rehabilitation of the amenity lakes located within the Avalon community. During the course of the discussion which followed, Mr. Safe advised Mr. Patil that approval

would not be required from any Fort Bend County or other regulatory agency, but that Avalon would need to acquire authorization from the District to make certain repairs to Avalon's lakes. Following a lengthy discussion, the Board indicated that it wished discuss the matter further with the appropriate District consultants and requested that an item be added to the next agenda to consider the matter.

Mr. Patil left the meeting at this time.

Ms. Halbert next introduced herself to the Board and provided a brief summary of ICS' services.

Ms. Halbert left the meeting at this time.

### **APPROVAL OF MINUTES**

As the next order of business, the Board considered approval of the minutes of its meeting held on January 5, 2024. After discussion, Director Battistini moved that the minutes for said meeting be approved, as written. Director Handal seconded said motion, which unanimously carried.

### **BOOKKEEPER'S REPORT**

Mr. Gonzalez presented to and reviewed with the Board the Bookkeeper's Report prepared by Clarity Consulting Corporation ("Clarity") dated February 7, 2024, including an Investment Report for the period January 1, 2024, through January 31, 2024, a copy of which is attached hereto as **Exhibit B**. With regard to certain AVR, Inc. ("AVR") processing fees, Mr. Gonzalez advised the Board that Clarity has determined that AVR owes the District for approximately six (6) duplicate payments since September 2023. The Board then requested that Clarity investigate whether AVR will reimburse the District by crediting the remaining balance of the duplicate payments to the District's account.

Ms. Henderson next inquired whether Clarity recommends transferring a portion of the District's funds out of the current money market account into one or more Certificates of Deposit ("CD") in an effort to lock in higher interest rates, if possible. Following discussion regarding the current investment climate, the Board requested that Clarity explore available options and provide a recommendation to the Board at its next meeting. It was then moved by Director Battistini that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, and that (ii) the Investment Report for January 2024 be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Handal seconded said motion, which unanimously carried.

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

Ms. Flores next presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending January 31, 2024, a copy of which is attached hereto as **Exhibit C**. 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.

## **AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

The Board next reviewed and considered approval of the District's audit report for the fiscal year ended September 30, 2023. In connection therewith, Ms. Ramirez presented and reviewed in detail with the Board a draft of the audit report prepared by FORVIS, together with a draft Management Letter concerning the Board's internal controls over financial reporting and draft management's response to same, copies of which are attached hereto as **Exhibit D**. Ms. Ramirez advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. After discussion, it was moved by Director Battistini, seconded by Director Haleem and unanimously carried, that (i) the audit report for the fiscal year ended September 30, 2023, be approved, subject to final review and comments by the District's consultants, (ii) the draft management response be approved, as presented, and that same be included in the final Management Letter, (iii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and (iv) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ").

Director Eynon exited 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 the District's disclosure counsel prior to the March 30, 2024 deadline.

## **BUSINESS LIST UPDATE FOR STRATEGIC PARTNERSHIP AGREEMENT ("SPA") WITH CITY OF HOUSTON ("COH")**

Ms. Henderson next discussed with the Board the annual update of a list of businesses in the District in compliance with the District's SPA with the COH. In that regard, she advised the Board that B&A Municipal Tax Service, LLC submitted an updated list of businesses located within the District's SPA boundaries to the COH on January 31, 2024.

## **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.

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

Ms. Henderson presented Monthly Contract Deputy Activity Reports for the month of January 2024, 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 February 7, 2024, 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. With regard to the proposed rehabilitation of Water Well No. 1 at the Joint Water Plant (the "WW No. 1 Rehabilitation Project"), Ms. Henderson advised the Board that SPH and BGE submitted correspondence to the TCEQ requesting emergency approval of the project. She then reported that, upon review of the information contained in the request for emergency approval, the TCEQ approved the District's request for a waiver of the competitive bidding requirements of Section 49.273 of the Texas Water Code. Mr. Safe then advised the Board that, in order to account for the cost for the required payment and performance bonds, the estimated total cost for the project has increased from \$465,000 to \$492,930. Mr. Safe reported that, at its meeting held on January 23, 2024, Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ratified its prior award of the contract for the No. 1 Rehabilitation Project to C&C Water Services, LLC ("C&C") and approved the adjusted estimated total cost of \$492,930 for the same. He reminded the Board that, should C&C determine upon investigation that the existing well liner does not need replacing, C&C will submit a change order relative to same and the total cost for the WW No. 1 Rehabilitation Project would be reduced by approximately \$100,000. Mr. Safe then requested that the Board ratify its previous concurrence in the award of the contract for the WW No. 1 Rehabilitation Project to C&C and concur with No. 34's approval of the adjusted estimated cost for same. After discussion, it was moved by Director Haleem, seconded by Director Battistini and unanimously carried, that the Board ratify its previous concurrence in the award of the contract for the WW No. 1 Rehabilitation Project to C&C and concur with No. 34's approval of the adjusted estimated cost for same.

**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 Handal 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 G**, be adopted by the Board. Director Haleem seconded said motion, which unanimously carried.

**ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR**

Ms. Henderson advised the Board that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. She then presented to and reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year, attached hereto as **Exhibit H**, determining that the District shall be considered a Developed District. Following discussion, upon motion made by Director Battistini, seconded by Director Handal and unanimously carried, the attached Resolution was adopted by the Board.

**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 February 7, 2024, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. In connection therewith, she noted the condition of a portion of Little Prong Creek at Fry Road, which was previously repaired by Double Oak Erosion ("Double Oak") utilizing the SOX erosion repair system, as depicted in the D&D Report. Mr. Safe advised the Board that BGE is aware of the issue and has contacted Double Oak to repair and rehabilitate the area.

**STORMWATER MANAGEMENT PROGRAM ("SWMP")**

The Board considered the status of the District's Stormwater Management Plan ("SWMP"). In that regard, Mr. Beyer presented to and reviewed with the Board the Year 5 Annual Report for the District's SWMP (the "Annual Report"), a copy of which is attached hereto as **Exhibit J**. He next presented a utility bill insert regarding stormwater runoff and prevention of stormwater pollution, a copy of which is included with **Exhibit J**, which is to be included in upcoming water bills to the District's customers. After discussion, Director Battistini moved that the Annual Report and the utility bill insert be approved, as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Feng seconded said motion, which carried unanimously.

Mr. Beyer next presented to and reviewed with the Board a summary of the SWMP Year 5 Extension Goals and Training (the "Training Summary"), a copy of which is included with **Exhibit J**, and began his first training session (of two required sessions each year) with the Board and other District consultants. Mr. Beyer then explained the importance of keeping household hazardous waste, pet waste, and yard waste out of the storm sewers, to prevent adding to bacterial impairment. He then continued with the training, thoroughly explaining the source of bacteria and outlining the program elements of the SWMP that deal with these sources.

**OPERATIONS REPORT**

Ms. Mouton presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of December 2023, a copy of which is attached hereto as **Exhibit K**. Ms. Mouton reported to the Board that the District had approximately 99% water accountability for the reporting period and discussed repairs made throughout the District. She then reviewed with the Board an inspection report from Landscape Images of Texas ("LIT"), relative to the District's park facilities. In connection therewith, Ms. Mouton advised the Board that an oak tree located within the District's Dog Park recently broke and requested authorization to have the damaged tree removed for the total cost of \$920.13. Ms. Mouton next presented six (6) delinquent accounts to be referred to collections in the total amount of \$2,213.69.

Ms. Henderson next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") and Water Conservation Plan ("WCP") not later than May 1, 2024, and every five years thereafter. She requested that the Board consider authorizing BGE and Inframark to review the District's DCP and WCP for any required updates. After discussion, Director Battistini moved that (i)

Inframark be authorized to (a) refer six (6) delinquent account to collections and (b) proceed with removal of the damage oak tree at the District's Dog Park, both as detailed above; and (ii) BGE and Inframark be authorized to review the District's DCP and WCP for any required updates. Director Handal seconded the motion, which unanimously carried.

**RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION FOR INCLUSION IN THE ASSOCIATION OF WATER BOARD DIRECTORS WATER SMART PARTNERS PROGRAM**

Ms. Henderson presented to and reviewed with the Board a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program, which is attached hereto as **Exhibit L**. After discussion on the matter, Director Battistini moved that (i) the Resolution be approved, and the President be authorized to executed and the Secretary to attest same on behalf of the Board and the District, (ii) Inframark be authorized to prepare the Water Smart Application for the District's Water Smart Partners Program membership, and (iii) Inframark be authorized to submit said Water Smart Application to the Association of Water Board Directors on behalf of the District. Director Handal seconded said motion, which unanimously carried.

**DISTRICT WEBSITE AND MASS NOTIFICIATION MESSAGING MATTERS**

The Board next considered the continued operation of the District's website and its mass notification system. In that regard, Mr. Roach presented to and reviewed with the Board a Quarterly Analytics Report, a copy of which is attached hereto as **Exhibit M**, detailing trends in traffic to the District's website and the enrollment and usage of the notification system. Mr. Roach then responded to various questions from the Board. After discussion, the Board noted that no action was required on its part in connection with the Quarterly Analytics Report at this time.

**RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board discussed the District's various insurance coverages scheduled to expire on March 31, 2024. In that regard, Ms. Henderson presented to and reviewed with the Board an insurance renewal proposal received from McDonald & Wessendorff ("McDonald"), the District's current insurance provider, for the 2024 – 2025 policy term, a copy of which is attached hereto as **Exhibit N**. 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, and (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. Director Haleem seconded said motion, which unanimously carried.

**MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION**

Ms. Henderson reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024.

**ATTORNEY'S REPORTS**

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson advised she had nothing further to report to the Board other than the items previously discussed.

**CLOSED SESSION**

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

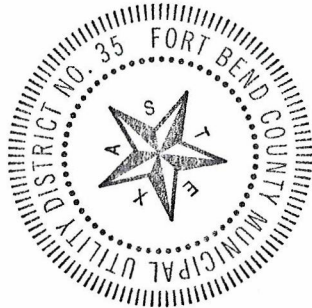
**FUTURE AGENDA ITEMS**

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 Battistini moved that the meeting be adjourned. Director Handal seconded said motion, which unanimously carried.

(SEAL)



*[Handwritten Signature]*  
Secretary, Board of Directors

**TABLE OF EXHIBITS**

**February 7, 2024**

- Exhibit A: Griffin PTA – Proposed Playground Improvements
- Exhibit B: Bookkeeper's Report
- Exhibit C: Tax Assessor-Collector's Report
- Exhibit D: Draft Audit Report; draft Management Letter and management's response
- Exhibit E: FBCCO Monthly Activity Reports
- Exhibit F: Engineer's Report
- Exhibit G: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit H: Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit I: Detention and Drainage Facilities Report
- Exhibit J: SWMP Annual Report and Training Summary; utility bill insert
- Exhibit K: Operations and Maintenance Report
- Exhibit L: Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program
- Exhibit M: District Website and Messaging Analytics Report
- Exhibit N: Insurance Proposal from McDonald & Wessendorff, 2024-2025 Term