

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

Minutes of Meeting of Board of Directors
April 3, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on April 3, 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, except Directors Haleem and Eynon, thus constituting a quorum.

Also present were: Dane Turner of Best Trash, LLC ("Best Trash"); Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Dawn Mouton of Inframark ("Inframark"); Stephanie Hulbert of ICS Infrastructure Construction Services ("ICS"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"), who entered the meeting after it had been called to order, as noted herein; 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. No comments from the public were presented.

REVIEW OF ANNUAL CPI ADJUSTMENT FROM BEST TRASH

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 18, 2024, a copy of which is attached hereto as **Exhibit A**, providing notice of a 7.149% increase to the rate charged for monthly solid waste collection and disposal and recycling services from \$22.57 to \$24.18, effective June 1, 2024, 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"). Ms. Henderson noted that the District may need to amend its Rate Order to address the CPI increase. After discussion on the matter, the Board concurred

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.

Mr. Turner exited 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 March 6, 2024. 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. Gonzalez presented to and reviewed with the Board the Bookkeeper's Report prepared by Clarity Consulting Corporation ("Clarity") dated April 3, 2024, including an Investment Report for the period March 1, 2024, through March 31, 2024, a copy of which is attached hereto as **Exhibit B**. It was then moved by Director Handal that: (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, with the exception of check nos. 10439, 10447 and 10448, which were voided; and (ii) the Investment Report for March 2024 be approved, and 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.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores next presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending March 31, 2024, a copy of which is attached hereto as **Exhibit C**. Following discussion, it was moved by Director Battistini, seconded by Director Feng 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 3, 2024, 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 D**. She advised that Perdue is recommending that the Board authorize Perdue to move six (6) accounts in the total amount of \$2,469.18 to the uncollectible roll, as detailed in the Delinquent Tax Report. After discussion, Director Feng moved that Perdue be authorized to move six (6) delinquent accounts in the total amount of \$2,469.18 to the uncollectible roll, as recommended by Perdue. Director Handal seconded said motion, which carried unanimously.

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 5, 2024. After further discussion, it was moved by Director Feng, seconded by Director Handal, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2023 delinquent real property tax accounts on July 1, 2024, 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

The Board deferred consideration of a Monthly Contract Deputy Activity Report for the month of March 2024, noting that no written report had been received from the FBCCO this month.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated April 3, 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. After discussion, it was noted that no action was required by the Board in connection with the Engineer's Report at this time.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board next 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 2024, a copy of which is attached hereto as **Exhibit G**. Ms. Mouton reported to the Board that the District had approximately 92% 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 the installation of a commemorative bench at the District's Family Park, as previously authorized by the Board, is complete. She next presented nine (9) delinquent accounts to be referred to collections in the total amount of \$3,075.51.

Ms. Henderson then discussed with the Board the requirements of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Water Conservation Plan (the "WCP") and/or Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. Ms. Henderson then advised BGE and Inframark have reviewed the District's current WCP and DCP and are not

recommending any revisions to either the WCP or the DCP at this time. With regard thereto, she presented to and reviewed with the Board a Resolution Regarding Review of Water Conservation Plan and a Resolution Regarding Review of Drought Contingency Plan and requested that the Board adopt said Resolutions.

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 Administrator's Report on Identity Theft Prevention and Protection (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 2023 through January 2024, and (ii) recommends that no changes be made to said Program at this time. The Board concurred that no changes were necessary to the Program at this time.

With regard to Director Feng's recent inquiry about tree trimming at the District's dog and family park sites, Ms. Mouton reported that LIT indicated it has not performed any tree trimming at either of the District's park facilities since 2018. After certain Directors recalled authorizing tree trimming at the District's parks more recently than that, Ms. Mouton advised that she will investigate the matter further.

The Board 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, 2024.

A discussion next ensued regarding clarification of the North Fort Bend Water Authority ("NFBWA") groundwater pumpage and surface water fees for District customers. Director Handal inquired whether the Board would like to authorize the preparation of a letter to District's customers regarding the NFBWA fees for posting on the District's website.

After discussion, it was duly moved by Director Handal, seconded by Director Feng and unanimously carried, that: (i) Inframark be authorized to refer nine (9) delinquent accounts to collections, as discussed above; (ii) the District adopt (a) the Resolution Regarding Review of Water Conservation Plan attached hereto as **Exhibit H** and (b) the Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit I**; (iii) Inframark be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with the TCEQ's regulatory requirements and its 2024 template; and (iv) SPH be authorized to prepare correspondence to District customers regarding NFBWA fees for posting on the District's website.

STATUS OF 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, 2024, 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.

RESOLUTION NOMINATING SERGIO HANDAL TO THE BOARD OF TRUSTEES OF THE ASSOCIATION OF WATER BOARD DIRECTORS – TEXAS

The Board then considered the adoption of a Resolution Nominating Director Handal to the Board of Trustees of the Association of Water Board Directors – Texas (the "Resolution"), which Resolution is attached hereto as **Exhibit J**. After discussion, it was moved by Director Feng, seconded by Director Battistini and unanimously carried, that the Resolution be adopted by the Board and the President and Secretary be authorized to execute same on behalf of the Board and the District.

ATTORNEY'S REPORTS

The Board considered the Attorney's Report. In connection with the recent inquiries from the Board of Directors of Avalon at Seven Meadows Community Association, Inc. ("Avalon") regarding rehabilitation of the lakes located within the Avalon community, Ms. Henderson presented to and reviewed with the Board the letter SPH sent to Avalon on March 14, 2024, a copy of which is attached hereto as **Exhibit K**, (i) providing notice of the Board's decision to decline funding for repairs to the bulkheads at the detention ponds located within the community and outlining the reasons for such decision, and (ii) memorializing the District's obligations with regard to maintenance of the hydraulic features of the detention ponds and related drainage system.

Director Feng next reported that the President of the Board of Directors of the Seven Meadows Community Association, Inc. ("Seven Meadows") recently contacted him to clarify that the Seven Meadows Facebook group is not officially associated with Seven Meadows in any way and that Seven Meadows is not responsible for any information posted to the group's page.

Mr. Schroeder entered the meeting at this time.

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 April 3, 2024, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit L**. Following discussion, it was noted that no action was required of the Board in connection with the D&D Report 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. Ms. Henderson then requested that the Board consider its meeting schedule for May, noting that, after election day on May 4, 2024, the Board must convene within a specified time frame to canvass the results of the District's 2024 Directors Election (the "2024 Election"). After discussion, the Board concurred to meet as regularly scheduled on May 1, 2024, and to schedule a special meeting to canvass the 2024 Election results.

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)


Secretary, Board of Directors



TABLE OF EXHIBITS

April 3, 2024

- Exhibit A: Best Trash – Correspondence regarding annual CPI adjustment
- Exhibit B: Bookkeeper's Report
- Exhibit C: Tax Assessor-Collector's Report
- Exhibit D: Delinquent Tax Report
- Exhibit E: Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit F: Engineer's Report
- Exhibit G: Operations and Maintenance Report
- Exhibit H: Resolution Regarding Review of Water Conservation Plan
- Exhibit I: Resolution Regarding Review of Drought Contingency Plan
- Exhibit J: Resolution Nominating Sergio Handal to the Board of Trustees of the Association of Water Board Directors
- Exhibit K: Correspondence to Avalon regarding rehabilitation and maintenance of amenity lakes within the Avalon community
- Exhibit L: Detention and Drainage Facilities Report