

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

Minutes of Meeting of Board of Directors

June 2, 2021

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on June 2, 2021, in accordance with the duly posted notice of public meeting. The meeting was held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, but the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. The roll was called of the duly constituted members of said Board of Directors, as follows:

Susan Ruske, President
Piero Battistini, Vice President
Sergio Handal, Secretary
Steven Olsen, Assistant Secretary
Tony Feng, Assistant Secretary

all of whom announced they were present, except Director Battistini, thus constituting a quorum.

Also attending the meeting via telephone conference call were: Matt Haire of Principal Management Group of Houston ("PMI"), Community Manager for Seven Meadows Community Association, Inc. ("Seven Meadows"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Christopher Townsend and Katie May of Inframark ("Inframark"); and Bryan Yeates, Eric Lai and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Billy Haehnel, President of the Board of Directors of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") joined the call later in the meeting, as noted herein.

**EXPLANATION OF TELEPHONE CONFERENCE CALL MEETING PROCEDURES
AND CALL TO ORDER**

Mr. Yeates explained to the Board the procedures to be used during the telephone conference call meeting. In connection therewith, he informed the participants that the meeting would be recorded, and requested that participants clearly state his or her name before speaking, including when making or seconding a motion. Mr. Yeates further explained that he would conduct a roll call vote for all motions and that Board members should wait to vote on a motion until his or her name has been called. Similarly, Mr. Yeates stated that a full roll call of all participants would be conducted at the start of each telephone conference meeting for attendance purposes.

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.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of its meeting held on May 5, 2021. After discussion, Director Olsen moved that the minutes for said meetings be approved, as written. Director Ruske seconded said motion, which unanimously carried.

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

Mr. Haire advised the Board that Monthly Contract Deputy Report for the month of May 2021, was not available for today's meeting. He advised that Seven Meadows will distribute said report to the Board via electronic mail as soon as it is received.

Mr. Yeates next inquired regarding the status of the Interlocal Agreement for Law Enforcement Services by and between the District, Fort Bend County (the "County"), Seven Meadows, and No. 34 for the 2020-2021 term (the "Interlocal Agreement"), which was approved by the Board at its meeting on December 2, 2020, subject to final approval by Seven Meadows. Mr. Haire advised that Seven Meadows has executed the Interlocal Agreement and will circulate it to the other parties for execution.

STATUS OF DISCUSSION WITH CENTERPOINT ENERGY REGARDING PAINTING OF DECORATIVE LIGHTS AND CONVERSION TO LED BULBS

The Board deferred consideration of the status of the proposed conversion to LED bulbs and painting of the decorative light poles within the District by CenterPoint Energy ("CenterPoint").

DISCUSSION REGARDING INSTALLATION OF WARNING SIGNS AROUND BODIES OF WATER WITHIN THE DISTRICT

With regard to the proposed installation of warning signs by certain bodies of water within the District, Director Olsen reported that he has not yet received information from Seven Meadows with the proposed locations for signage within the District. Mr. Haire advised the Board that he will follow up regarding the status of same.

DISCUSSION REGARDING PROPOSED NOISE BARRIERS TO BE CONSTRUCTED BY TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT") ALONG THE GRAND PARKWAY

The Board deferred consideration of the proposed construction by the TxDOT of noise barriers in connection with the planned widening of the Grand Parkway from FM 1093 to Interstate 10 (the "Noise Barrier Project"), noting that no updates have been received from TxDOT.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending May 31, 2021, a copy of which is attached hereto as **Exhibit A**. After discussion, it was moved by Director Olsen, 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

Mr. Yeates 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. He stated that the next quarterly report will be provided in July.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated June 2, 2021, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Olsen moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, except for check no. 8780, which was voided. Director Ruske seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY REPORT

The Board considered approval of an Unclaimed Property Report as of March 1, 2021, and the filing of same with the Comptroller of Public Accounts of the State of Texas (the "Comptroller") prior to July 1, 2021. In connection therewith, Mr. Yeates presented to and reviewed with the Board an Unclaimed Property Report from MAC dated June 2, 2021, a copy of which is attached hereto as **Exhibit C**, advising that the District has \$1,190.61 to escheat to the State. After discussion, Director Handal moved that MAC be authorized to file said Report with the Comptroller and escheat a balance of \$1,190.61 of unclaimed funds to the Comptroller prior to July 1, 2021. Director Ruske seconded said motion, which unanimously carried.

RESULTS OF SALE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2021

Mr. Yeates next addressed the Board regarding the status of the District's \$2,945,000 Unlimited Tax Refunding Bonds, Series 2021 ("Series 2021 Refunding Bonds"), which priced on May 4, 2021. He advised the Board that closing on the Series 2021 Refunding Bonds is scheduled for June 9, 2021.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated June 2, 2021, a copy of which is attached hereto as **Exhibit D**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. With regard to the proposed purchase and installation of an emergency generator at the District's remote water well site located at Gaston Road and Cansfield Way, Mr. Safe presented a memorandum prepared by BGE, a copy of which is included with the Engineer's Report,

providing preliminary cost estimates for diesel and natural gas emergency generators and summarizing the benefits and disadvantages of both. He advised that No. 34's Board of Directors indicated a preference for a diesel generator and directed BGE to prepare a design proposal for the installation of an emergency generator at the District's remote water well site for consideration at its next regular meeting in June. The Board deferred consideration of preparation of a waste discharge permit renewal application for Wastewater Treatment Plant No. 1 until its next Board meeting. After discussion, Director Olsen moved that the Board approve all action items listed in the Engineer's Report, including concurrence in approval by No. 34 of Pay Request No. 2 from Double Oak Erosion in the amount of \$69,021.00 for repair of a portion of Little Prong Creek at Fry Road, as recommended by BGE. Director Handal seconded the motion, which unanimously carried.

LANDSCAPE ARCHITECT REPORT

Mr. Safe presented to and reviewed with the Board a report from KGA/DeForest Design, LLC dated June 2, 2021, a copy of which is attached hereto as **Exhibit E**. After discussion, it was moved by Director Olsen that the Landscape Architect Report and all action items listed therein be approved, including approval of Pay Request No. 9 and Final from Republic Masonry & Fencing, LLC in the amount of \$38,716.30 for construction of replacement fences at the District's Joint Wastewater Treatment Plant and Joint Water Plant. Director Ruske seconded the motion, which unanimously carried.

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

Mr. Yeates next presented to and reviewed with the Board a Detention and Drainage Facilities Report dated June 2, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit F**. With regard to the proposed repair and/or rehabilitation of the detention pond located at the southwest corner of Katy Gaston Road and Fry Road, Mr. Safe reported that he and Mr. Schroeder met on site to investigate the areas of erosion. He stated that BGE is coordinating with an arborist to evaluate whether the cedar trees located near the site are the cause of the erosion and, if so, determine how to best mitigate the root intrusion, pursuant to the Board's previous request.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. Mr. Yeates advised the Board that there were no updates regarding the District's SWMP at this time.

OPERATIONS REPORT

Mr. Townsend presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of April 2021, a copy of which is attached hereto as **Exhibit G**. Mr. Townsend reported to the Board that the District had approximately 91% 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, a copy of which is attached to the O&M Report. He further reported that the sanitary sewer point repairs relative to the Year 1 of 5 Sanitary Sewer Televising and Cleaning Project and the painting of various fire hydrants within the District are

complete. He advised the Board that the report summarizing the results of the Year 2 of 5 Sanitary Sewer Televising and Cleaning Project is in the process of being prepared.

Mr. Townsend next presented a list of two (2) delinquent accounts, a copy of which is included with the O&M Report, to be referred to collections in the total amount of \$167.48.

The Board next considered leak adjustment requests. In connection therewith, Mr. Townsend reported that Inframark has received a request from one (1) District customer for an adjustment to his water bill which was abnormally high due to a leaking toilet, as listed in the O&M Report, which leak has since been repaired. Mr. Townsend then noted that said customer received a freeze adjustment last month, and requested that the Board consider authorizing Inframark to bill said customer for the amount of water in excess of his average water usage for the period at the District's lowest rate tier on a one-time basis.

Mr. Yeates next advised the Board that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the office of emergency management of Fort Bend County, the Public Utility Commission of Texas, and the division of emergency management of the governor. In connection therewith, Mr. Townsend reported that Inframark has submitted the annual update to the appropriate entities.

A discussion next ensued regarding the status of implementation of a mass notification system within the District by Apollo IT Consulting, LLC ("Apollo"), and the various methods by which District customers might be notified regarding same. In that regard, Director Ruske recommended that Inframark be authorized to include a notice regarding the District's new messaging service in customers' upcoming water bills, which notice would include instructions for registering for the service.

After discussion, Director Olsen moved that the Board authorize Inframark to: (i) refer two (2) delinquent accounts to collections, as discussed above; (ii) credit the customer account discussed above with the difference in his average usage for the period billed at the District's lowest rate tier, on a one time basis; (iii) coordinate with Director Ruske and Apollo regarding information to be included in customer's upcoming water bills concerning implementation of the District's mass notification system and how to register for same; and (iv) make the critical load annual filings on behalf of the District, as discussed above. Director Handal seconded said motion, which unanimously carried.

Director Haehnel joined the meeting during the above discussion.

STATUS OF IMPLEMENTATION OF MASS NOTIFICATION SYSTEM

The Board deferred consideration of the status of implementation of a mass notification system for communicating with the residents of the District.

CYBERSECURITY TRAINING

The Board next considered the attorney's report. In connection therewith, Mr. Yeates advised the Board that House Bill 1118, signed by the Governor on May 18, 2021, and effective immediately, specifies that going forward only employees, elected officials, and appointed officials that have access to a local government computer system or database and use a computer to perform at least twenty-five percent (25%) of their duties related to the District are required to take the annual cybersecurity training. He further advised the Board that the Directors of the District are now exempt from such training and that if a Director has not completed the training for the current year, they will not be required to do so.

DISCUSSION REGARDING THE AMERICA'S WATER INFRASTRUCTURE ACT OF 2018 ("AWIA")

Mr. Safe advised that BGE has prepared a draft Risk and Resilience Assessment Summary, which he noted was distributed to the Board for review prior to the meeting. The Board deferred further consideration of the status of the District's compliance with AWIA, including the required assessment due to be filed with the Environmental Protection Agency by June 30, 2021, until later in the meeting.

VOTING SYSTEM ANNUAL FILING FORM

The Board next considered authorizing the completion, execution and filing with the Secretary of State of a Voting System Annual Filing Form (the "Form") relative to District elections. Mr. Yeates advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State's office annually. After discussion on the matter, Director Olsen moved that SPH be authorized to complete and file the Form with the Secretary of State's Office, as required by law. Director Handal seconded said motion, which unanimously carried.

REORGANIZATION OF OFFICERS OF BOARD OF DIRECTORS

The Board deferred consideration of reorganization of the Board of Directors at this time.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In that regard, Mr. Yeates discussed the North Fort Bend Water Authority's ("NFBWA") offer have a representative attend a future Board meeting. After discussion, the Board requested that SPH coordinate such attendance with the NFBWA once in-person meetings have resumed.

Director Haehnel next addressed the Board to discuss the status of the proposed conversion to LED bulbs and painting of the decorative light poles within the District and No. 34 by CenterPoint. He reported that the decorative light poles will be painted under the District's and No. 34's maintenance agreement with CenterPoint. Director Haehnel next advised the Board that the cost for the LED conversion is to be recovered by CenterPoint, pursuant to a Public Utility Commission regulation, over the period of several months. He reported that CenterPoint is still in the process of determining the recovery fee. He stated that he will contact Director Ruske in between meetings to provide an update regarding the matter.

CLOSED SESSION

The President announced at 2:28 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Sections 551.076 and 551.089. Messrs. Safe, Yeates and Lai and Ms. Walsh joined the Board in Closed Session.

Matt Froehlich of BGE joined the call during Closed Session. Mr. Froehlich left the call before the Board reconvened in Open Session.

The Board reconvened in Open Session at 3:00 p.m. Following discussion, Director Ruske moved that BGE be authorized and directed to file the District's AWIA Risk and Resilience Assessment certification with the Environmental Protection Agency prior to the June 30, 2021, deadline. Director Olsen seconded the motion, which unanimously carried.

FUTURE AGENDA ITEMS

The Board considered items for placement on a future agenda. No specific items were requested.

ADJOURNMENT OF MEETING

There being no further business to come before the Board, Director Olsen moved that the meeting be adjourned. Director Handal seconded said motion, which unanimously carried.

/s/ Sergio Handal
Secretary, Board of Directors

TABLE OF EXHIBITS

June 2, 2021

- Exhibit A: Tax Assessor-Collector's Report
- Exhibit B: Bookkeeper's Report
- Exhibit C: Unclaimed Property Report
- Exhibit D: Engineer's Report
- Exhibit E: Landscape Architect Report
- Exhibit F: Detention and Drainage Facilities Report
- Exhibit G: Operations and Maintenance Report

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