

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

Minutes of Meeting of Board of Directors

February 3, 2021

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

Also attending the meeting via telephone conference call were: 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"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); David Beyer of Storm Water Solutions, LLC ("SWS"); Katie May and Christopher Townsend of Inframark ("Inframark"); Robert Ponville, President of the Seven Meadows Community Association, Inc. Board of Directors ("Seven Meadows"); and Bryan Yeates and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

**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.

Director Handal left the meeting at this time.

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 January 6, 2021. After discussion, Director Olsen moved that the minutes for said meetings be approved, as written. Director Battistini seconded said motion, which unanimously carried.

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

Mr. Yeates presented a Monthly Contract Deputy Report for the month of January, 2021, regarding FBCCO, a copy of which is attached hereto as **Exhibit A**. It was noted that no action was required of the Board.

In connection with the Interlocal Agreement for Law Enforcement Services by and between the District, Fort Bend County (the "County"), Seven Meadows, and Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") for the 2021 – 2022 term (the "Agreement"), Director Ruske advised the Board that Seven Meadows has provided proposed eight-hour and ten-hour patrol schedules prepared by the FBCCO and requested input regarding same from the District and from No. 34. After discussion, the Board concurred to defer further discussion of the proposed patrol schedules until its next regular meeting in March.

Director Handal rejoined the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

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

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

Mr. Yeates 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, he presented email correspondence from B&A Municipal Tax Service, LLC ("B&A") as well as an updated list of businesses located within the District's SPA boundaries, copies of which are attached hereto as **Exhibit C** and advised the Board that B&A submitted same to the COH on December 8, 2020, prior to the COH's deadline for same.

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 April.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated February 3, 2021, a copy of which is attached hereto as **Exhibit D**. After discussion, Director Olsen moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment. Director Ruske seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

Mr. Yeates advised the Board that the annual continuing disclosure report will be filed by the District's disclosure counsel prior to the March 30, 2021 deadline.

REVIEW AND APPROVAL OF PROPOSAL FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed the District's various insurance coverages scheduled to expire on March 31, 2021. In that regard, Mr. Yeates presented to and reviewed with the Board a renewal insurance proposal received from Arthur J. Gallagher ("AJG"), the District's current insurance provider, for the 2021 – 2022 policy term, a copy of which is attached hereto as **Exhibit E**. After discussion, Director Ruske moved that the Board accept the proposal from AJG for all policies set forth in the attached proposal. Director Feng seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated February 3, 2021, 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 extended 10-year warranty in connection with the contract with Double Oak Erosion ("Double Oak") for repair of an approximate 300-foot portion of Little Prong Creek at Fry Road ("Little Prong Creek Repair Project") utilizing the SOX erosion repair system, Mr. Safe reported that Double Oak has been informed that its bonding company will not issue 10-year maintenance bonds. Mr. Safe next discussed various options with the Board regarding possible ways to obtain a 10-year warranty, noting that the bonding company has agreed to issue consecutive two-year bonds, with the cost for each two-year bond increasing as the years progress. Mr. Safe requested that the Board authorize BGE to amend the alternate bid item in the contract with Double Oak to provide for an extended five-year warranty at a total cost of \$5,000, with consecutive two-year and one-year maintenance bonds to be provided by Double Oak after regularly scheduled inspections of the site by BGE. With regard to the temporary access agreement by and between No. 34 and Meadowbrook Farm, LP ("Meadowbrook"), relative to the Little Prong Creek Repair Project, Mr. Safe reported that Meadowbrook accepted a price of \$10,000, as previously authorized by the Board. After discussion, Director Olsen

moved that the Board approve all action items listed in the Engineer's Report, including authorization for BGE to amend the alternate bid item in the contract with Double Oak to provide for an extended five-year warranty at a cost of \$5,000. Director Handal seconded the motion, which unanimously carried.

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, Mr. Yeates reported that SPH is recommending that the District continue to adopt the wage rate scale as determined by the United States Department of Labor ("DOL") for Fort Bend County ("County"). After discussion on the matter, Director Ruske moved that the DOL wage rate scale for the County be adopted as the District's prevailing wage rate scale 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 Olsen seconded said motion, which unanimously carried.

DISCUSSION REGARDING PROPOSED NOISE BARRIERS TO BE CONSTRUCTED BY TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT") ALONG STATE HIGHWAY 99 (THE "GRAND PARKWAY")

The Board next considered the proposed construction of noise barriers in connection with the planned widening of the Grand Parkway from FM 1093 to Interstate 10 (the "Noise Barrier Project"). In connection therewith, Mr. Yeates briefly reminded the Board of previous discussions and presentations regarding the matter. Mr. Ponville advised the Board that the proposed Noise Barrier Project is under consideration by Seven Meadows. Mr. Yeates then responded to various questions from the Board and Mr. Ponville. Following discussion, no action was taken by the Board at this time.

Mr. Ponville left the meeting at this time.

DISCUSSION REGARDING CONSTRUCTION BY FORT BEND COUNTY OF A PROPOSED SIDEWALK ALONG THE EAST SIDE OF KATY GASTON ROAD

The Board next considered the proposed construction of a sidewalk along the east side of Katy Gaston Road between Fry Road and Summerset Ridge Lane (the "Pct. 3 Sidewalk Project") in partnership with Fort Bend County and No. 34. As previously requested by the Board, Mr. Safe provided the Board with BGE's comparison of the estimated cost per linear foot for the District's previous Katy Gaston sidewalk project along the west side of Katy Gaston Road with the proposed Pct. 3 Sidewalk Project. After discussion, the Board declined to act on the matter and requested that the item be removed from the agenda going forward.

LANDSCAPE ARCHITECT REPORT

Mr. Safe next presented to and reviewed with the Board a report from KGA DeForest Design, LLC dated February 3, 2021, a copy of which is attached hereto as **Exhibit H**. In connection therewith, Mr. Safe provided an update regarding the status of the contract with

Republic Masonry & Fencing, LLC ("Republic") for the replacement of the existing fences at the District's Joint Wastewater Treatment Plant ("JWTP") and Joint Water Plant ("JWP"). After discussion, it was moved by Director Olsen, seconded by Director Ruske and unanimously carried, that the Landscape Architect Report and all action items listed therein be approved, including concurrence in approval by No. 34 of Pay Request No. 6 in the amount of \$35,989.07 and Change Order No. 2 ("CO No. 2") in the amount of \$4,000 from Republic for construction of the replacement fences at the District's JWTP and JWP. With regard to CO No. 2 relative to the purchase of an auger bit to address issues created by approximately 200 linear feet of cement stabilizing sand, the Board requested that KGA provide the Board with information regarding which party will retain permanent ownership of said bit.

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 dated February 3, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. Mr. Schroeder next reported on the status of removal of beavers from Long Meadow Channel, noting that two beavers have been removed to date. Following discussion, the Board noted that no action was required on its part in connection with the Detention and Drainage Facilities Report at this time.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. In that regard, Mr. Beyer presented to and reviewed with the Board the Year 2 Annual Report for the District's SWMP (the "Annual Report") and a summary of the Year 3 training and goals under same ("Training Summary"), copies of which are 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 in **Exhibit J**, which is to be included in upcoming water bills to the District's customers. After discussion, Director Ruske moved that the Annual Report be approved as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Handal seconded the motion, which carried unanimously.

Mr. Beyer next began his training session with the Board and other District consultants. The topic of the Year 3 training being stormwater pollution prevention, the minimum control measures required and bacteria-specific elements. Mr. Beyer 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 sources of bacteria and outlining the program elements of the SWMP that deal with these sources.

OPERATIONS REPORT

Ms. May presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of December 2020, a copy of which is attached hereto as **Exhibit K**. Ms. May reported to the Board that the District had approximately 106% 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.

In connection with the District's annual fire hydrant survey, Ms. May reported that Inframark has determined that 48 of the 287 fire hydrants inspected by Inframark on behalf of the District in previous years are actually located within No. 34. Director Olsen requested that Inframark determine if any previous repairs made by the District were made to any of the 48 hydrants now determined to belong to No. 34 and report on same at the next Board meeting. Ms. May next presented a list of recommended fire hydrant repairs with Inframark's cost estimate for same, a copy of which is attached to the O&M Report. Ms. May requested that the Board authorize Inframark to make the repairs to the 85 listed fire hydrants, as recommended and detailed in the cost estimate, for an estimated total cost of \$21,775.00. Ms. May next requested that the Board approve a proposal by Edustrial Solutions to paint the 239 fire hydrants located within the District for a total cost of \$5,975.00, a copy which is attached to the O&M Report.

Ms. May next advised the Board that Southern Flowmeter, Inc. ("Southern Flowmeter") has completed the annual testing of the District's commercial water meters. In connection therewith, Ms. May presented to and reviewed with the Board a report prepared by Southern Flowmeter, a copy of which is attached to the O&M Report, recommending repair of seven (7) commercial meters in the total estimated amount of \$3,520.00.

Ms. May next reported that, after its investigation, BGE approved the replacement of the existing KSB pump at Lift Station No. 2 with a KSB vortex pump by Pump Solutions, Inc. She noted that Pump Solutions, Inc. has agreed to replace the pump at no cost to the District. Ms. May also reported Pump Solutions, Inc. offered to install a KSB Vortex pump on a six-month trial basis at Lift Station No. 1 in order for Inframark to determine whether it would solve ongoing ragging issues; however, after reviewing maintenance records, BGE determined it would not be cost effective to replace the existing pump with a KSB Vortex pump at this time.

Ms. May next presented a list of four (4) delinquent accounts, a copy of which is included with **Exhibit N**, to be referred to collections in the total amount of \$437.46.

After discussion, Director Ruske moved that the Board: (i) authorize Inframark to (a) make various repairs to District fire hydrants, as discussed above and as detailed in the O&M Report, and (b) refer the four (4) delinquent accounts to collections, as discussed above; (ii) approve Edustrial Solutions' proposal to paint the 239 fire hydrants; and (iii) authorize Southern Flowmeter to perform repairs to seven (7) commercial water meters, as detailed in the O&M Report. Director Olsen seconded the motion, which unanimously carried.

Director Battistini left the meeting at this time.

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

Mr. Yeates 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 Olsen moved that (i) the Resolution be approved, and the President be authorized to execute 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 Ruske seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Mr. Yeates reported that he was notified by Anthea Moran of Masterson Advisors, LLC, the District's financial advisor, of a potential opportunity to refund certain maturities of the District's outstanding bonds. After a brief discussion, the Board concurred to consider the potential refunding opportunity and requested that SPH include the appropriate agenda items on the agenda for the Board of Directors meeting scheduled for March 3, 2021.

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 to be placed on future agendas. In connection therewith, Director Ruske requested that an item be placed on the next agenda to receive a report from Apollo IT Consulting, LLC, the District's website manager, regarding the status of the District's website.

ADJOURNMENT OF MEETING

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

(SEAL)

/s/ Sergio Handal
Secretary, Board of Directors

TABLE OF EXHIBITS

February 3, 2021

- Exhibit A: FBCCO Monthly Activity Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Updated list of businesses located within the District's SPA boundaries
- Exhibit D: Bookkeeper's Report
- Exhibit E: Insurance Proposal from Arthur J. Gallagher, 2021-2022 Term
- Exhibit F: Engineer's Report
- Exhibit G: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit H: Landscape Architect Report
- 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