

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

Minutes of Meeting of Board of Directors

July 7, 2021

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on July 7, 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, by 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 Feng, 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"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); David Beyer of Storm Water Solutions, LLC ("SWS"); Katie May of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Robert Ponville, President of the Seven Meadows Board of Directors; Billy Haehnel, President of the Board of Directors of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34"); and Bryan Yeates and Katherine Edwards 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.

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 June 2, 2021. After discussion, Director Ruske moved that the minutes for said meetings be approved, as written. Director Handal seconded said motion, which unanimously carried.

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

Mr. Haire presented Monthly Contract Deputy Reports for the months of May and June, 2021, regarding FBCCO, copies of which are attached hereto as **Exhibit A**. Mr. Haire advised the Board that, because the Board meets so early in the month, going forward reports received by the District from the FBCCO will be for the month prior to the previous month. Mr. Haire next reported that a replacement for the overnight shift officer who resigned in March has been hired by the FBCCO. It was noted that no action was required of the Board.

AGREEMENT WITH CENTERPOINT ENERGY REGARDING CONVERSION TO LED BULBS AND PAINTING OF THE DECORATIVE LIGHT POLES IN THE COMMUNITY

The Board considered the proposed agreement with CenterPoint Energy ("CenterPoint") regarding the conversion to LED bulbs and painting of the decorative light poles within the District by CenterPoint. Mr. Haehnel advised the Board that the decorative light poles will be painted under the District's existing maintenance agreement with CenterPoint. Mr. Haehnel then informed 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, adding that CenterPoint is still in the process of determining the recovery fee. After discussion, Director Olsen moved that the LED Street Light Installation Agreement with CenterPoint, a copy of which is attached hereto as **Exhibit B**, be approved by the Board and the President be authorized to execute same on behalf of the Board and the District. Director Ruske seconded said motion, which unanimously carried.

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

The Board deferred discussion regarding the status of the proposed installation of warning signs by certain bodies of water within the District.

Mr. Haehnel next reported that No. 34 is preparing to apply wildflower seeds to certain recreational areas within No. 34. He advised that a portion of the proposed site lies within the

boundaries of the District and inquired whether the Board would consider funding a pro rata share of the cost for same. After a brief discussion, the Board concurred to consider a proposal for wildflower seeding at its meeting next month.

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 June 30, 2021, a copy of which is attached hereto as **Exhibit C**. After discussion, it was moved by Director Ruske, seconded by Director Battistini and unanimously carried, that the Tax Assessor-Collector Report be approved as presented, and that the disbursements identified therein be approved for payment.

AMENDED AND RESTATED CONTRACT FOR THE ASSESSMENT AND COLLECTION OF TAXES

The Board next considered the approval of an Amended and Restated Contract for the Assessment and Collection of Taxes (the "Amended Contract") between the District and Tax Tech. Ms. Flores presented and reviewed the Amended Contract with the Board, a copy of which is attached hereto as **Exhibit D**, and requested Board approval to utilize the positive pay check protection system. After discussion, Director Handal moved to: (i) approve the Amended Contract as presented and utilize the positive pay protection program; (ii) authorize the President to execute same on behalf of the Board and the District; (iii) accept Tax Tech's TEC Form 1295 relative to the Amended Contract; and (iv) authorize SPH to acknowledge the receipt of same. The motion was seconded by Director Ruske and carried by unanimous vote.

ESTABLISHMENT OF TAX ACCOUNTS AT ALLEGIANCE BANK

Ms. Flores next requested the Board's approval to transfer the District's depository tax accounts from Wells Fargo Bank, N.A. to Allegiance Bank. She noted that the transfer is being requested due to poor customer service at the current bank. After discussion, and upon motion made by Director Battistini and seconded by Director Handal, the Board voted unanimously to authorize Tax Tech to close its account with Wells Fargo, N.A. and open a new account with Allegiance Bank as the District's depository bank for its tax accounts.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2021 TAX YEAR

Mr. Yeates 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. He 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 2021 Tax Year, attached hereto as **Exhibit E**, determining that the District shall be considered a Developed District. Following discussion, upon motion made by Director Handal, seconded by Director Ruske and unanimously carried, the attached Resolution was adopted by the Board.

DELINQUENT TAX REPORT

Mr. Yeates presented to and reviewed with the Board a Delinquent Tax Report dated July 7, 2021, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collections attorneys. A copy of said report is attached hereto as **Exhibit F**. The Board noted there were no action items in the report.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated July 7, 2021, a copy of which is attached hereto as **Exhibit G**. 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. 8821, which was voided. Director Handal seconded said motion, which unanimously carried.

ADOPTION OF ORDER SELECTING DEPOSITORY BANK

Mr. Watson next presented to and reviewed with the Board a memorandum prepared by MAC regarding a new depository bank, a copy of which is attached hereto as **Exhibit H**. He advised the Board that BBVA USA has been acquired by PNC Bank ("PNC"), and that PNC is eliminating its public funds department and then responded to questions from the Board regarding the transfer of funds to Central Bank. In connection therewith, Mr. Yeates presented to and reviewed with the Board the Order Selecting Depository, included with **Exhibit H**, designating Central Bank as a depository bank for the District. After discussion, Director Ruske moved to adopt the Order Selecting Depository. Director Handal 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 the Series 2021 Refunding Bonds closed successfully on June 9, 2021.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated July 7, 2021, a copy of which is attached hereto as **Exhibit I**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. Mr. Safe requested that the Board concur with No. 34's approval on June 22, 2021, of the TPDES Permit renewal for Joint Wastewater Treatment Plant No. 1. In connection therewith, Mr. Safe presented to and reviewed with the Board a proposal from BGE regarding

same, a copy of which is included with the Engineer's Report. He noted that the current permit expires on May 1, 2022, and a renewal application must be submitted by November 1, 2021. After discussion, Director Ruske moved that the Engineer's Report and all action items listed therein be approved, including concurring with No. 34's approval of the TPDES Permit renewal application proposal from BGE for the Joint Wastewater Treatment Plant No. 1 as discussed. Director Olsen seconded said motion, which carried unanimously.

LANDSCAPE ARCHITECT REPORT

Mr. Safe reported that, at its meeting on June 22, 2021, No. 34 concurred with the Board's prior 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. The Board noted that no action was required 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 dated July 7, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit J**. It was noted that no action was required of the Board.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. In connection therewith, Mr. Beyer presented to and reviewed with the Board the SWMP Quarter 3 Status Update, a copy of which is attached hereto as **Exhibit K**. Mr. Beyer advised the Board that the process for SWMP review and approval by the TCEQ has been delayed due to the COVID-19 pandemic, but noted that the District remains in compliance with the permit throughout the extended process.

OPERATIONS REPORT

Ms. May presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of May 2021, a copy of which is attached hereto as **Exhibit L**. Ms. May reported to the Board that the District had approximately 96% 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. She advised the Board that the report summarizing the results of the Year 2 of 5 Sanitary Sewer Televising and Cleaning Project is currently under review by Inframark.

Ms. May next reported that two (2) District customers have submitted requests for the Board to consider waiving the \$15.00 delinquent letter fees applied to their accounts, as detailed in the O&M Report. She recommended that the Board also consider authorizing Inframark to include language clarifying the application of such fees on all customer water bills going forward. After discussion, Director Battistini moved that the Board authorize Inframark to (i) waive the delinquent letter fees applied to the customer accounts discussed above on a one-time basis as a courtesy; and (ii) approve appeals for waiver of delinquent letter fees upon request on

a one-time basis going forward. Director Handal seconded said motion, which unanimously carried.

STATUS OF IMPLEMENTATION OF MASS NOTIFICATION SYSTEM

Mr. Roach next addressed the Board regarding the status of implementation of a mass notification system within the District by Apollo and reviewed the various methods by which District customers might be notified regarding same. In connection therewith, he presented to and discussed with the Board a flyer provided by Apollo, a copy of which is attached hereto as **Exhibit M**, depicting examples and providing pricing information for various forms of printed notification. After discussion, the Board directed Inframark to coordinate with Apollo to produce and distribute postcards to District customers providing information regarding the District's new messaging service as well as instructions for registering for the service.

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

Mr. Safe advised that BGE filed the District's AWIA Risk and Resilience Assessment certification with the Environmental Protection Agency on June 29, 2021, as previously authorized by the Board.

REORGANIZATION OF OFFICERS OF BOARD OF DIRECTORS

The next item to be considered was the reorganization of the officers of the Board. In connection therewith, Mr. Yeates called for nominations for President, Vice President, Secretary and Assistant Secretary, whereupon Director Battistini was nominated for President, Director Handal was nominated for Vice President, Director Olsen was nominated for Secretary, and Director Ruske was nominated for Assistant Secretary. There being no further nominations for each position, the nominations were closed. Mr. Yeates called for a vote, and upon motion duly made by Director Battistini, seconded by Director Handal and unanimously carried, Director Battistini was elected President, Director Handal was elected Vice President, Director Olsen was elected Secretary, and Director Ruske was elected Assistant Secretary.

Mr. Safe left the meeting at this time.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. Mr. Yeates presented a memorandum prepared by SPH regarding the Legislative Summary of the 87th Regular Session of the Texas Legislature, a copy of which is attached hereto as **Exhibit N**.

Mr. Yeates next advised the Board that SPH the suspension of certain open-meeting requirements, which was made necessary by the COVID-19 pandemic, is being terminated on September 1, 2021. Mr. Yeates further reported that SPH is preparing to resume in-person Board meetings as of September 1, 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 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 Battistini moved that the meeting be adjourned. Director Handal seconded said motion, which unanimously carried.

(SEAL)

/s/ Sergio Handal
Secretary, Board of Directors

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TABLE OF EXHIBITS

July 7, 2021

- Exhibit A: FBCCO Monthly Activity Reports
- Exhibit B: CenterPoint LED Street Light Installation Agreement
- Exhibit C: Tax Assessor-Collector's Report
- Exhibit D: Amended and Restated Contract for the Assessment and Collection of Taxes
- Exhibit E: Resolution Concerning Developed District Status for 2021 Tax Year
- Exhibit F: Delinquent Tax Report
- Exhibit G: Bookkeeper's Report
- Exhibit I: Memorandum regarding new depository bank; Order Selecting Depository
- Exhibit J: Engineer's Report
- Exhibit J: Detention and Drainage Facilities Report
- Exhibit K: SWMP Quarter 4 Status Update
- Exhibit L: Operations and Maintenance Report
- Exhibit M: Apollo
- Exhibit N: 87th Regular Session Legislative Summary

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