

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

Minutes of Meeting of Board of Directors

September 1, 2021

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on September 1, 2021, at 1300 Post Oak Boulevard, Suite 1400, 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
Steven Olsen, Secretary
Tony Feng, Assistant Secretary
Susan Ruske, 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"); Kristy Hebert of Tax Tech, Inc. ("Tax Tech"); Wendy Ramirez of BKD, LLP ("BKD"); 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"); Katie May of Inframark ("Inframark"); Robert Ponville, President of the Seven Meadows Board of Directors; and Bryan Yeates and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

COMMENTS FROM THE PUBLIC

The Board deferred consideration of comments from the public as no comments were offered.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of its meeting held on August 4, 2021. After discussion, Director Handal moved that the minutes for said meetings be approved, as written. Director Olsen seconded said motion, which unanimously carried.

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

Mr. Haire next presented to and reviewed with the Board the FBCCO Activity Report for the month of July 2021, a copy of which is attached hereto as **Exhibit A**. With regard to previous requests that the FBCCO include information relative to the responding officers, as well as a more detailed and complete list of activity within the District, on the reports going forward, Mr. Haire reported that Seven Meadows has discussed the requested changes to the report with Lieutenant Bolin of the FBCCO and advised the Board that the format is unlikely to change. He

stated, however, that Seven Meadows is coordinating a meeting to discuss the matter further with the FBCCO. Mr. Haire advised the he will provide the meeting details for those who wish to attend. Mr. Haire next reported that the night shift deputy assigned to the District recently took over the vacant evening shift, leaving the night shift vacant until FBCCO is able to hire a replacement to fill said position.

STATUS OF CONVERSION TO LED BULBS AND PAINTING OF THE DECORATIVE LIGHT POLES IN THE COMMUNITY BY CENTERPOINT ENERGY

The Board deferred consideration of the status of conversion to LED bulbs and painting of the decorative light poles in the community by CenterPoint Energy ("CenterPoint"), noting that there were no new updates at this time.

PROPOSAL FOR WILDFLOWER SEEDING

The Board deferred consideration of a proposal for application of wildflower seeds to certain recreational areas within the District, noting that no such proposal has yet been received.

LETTER AGREEMENT REGARDING INSTALLATION OF WARNING SIGNS

The Board next considered the proposed installation of warning signs by certain bodies of water within the District. In connection therewith, Mr. Yeates presented to and reviewed with the Board a letter agreement, a copy of which is attached hereto as **Exhibit B**, between the District and Seven Meadows Community Association, Inc. ("Seven Meadows") memorializing the terms by which the District agrees to fund fifty-percent (50%) of the cost of fabrication and installation of said signage (the "Letter Agreement"). After discussion, Director Handal moved that the Letter Agreement be approved by the Board and the Vice President be authorized to execute same on behalf of the Board and the District. Director Olsen seconded said motion, which unanimously carried.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2021 TAX RATE

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2021. After noting that no comments regarding the proposed tax rate were offered by any members of the public, it was moved by Director Olsen, seconded by Director Handal and unanimously carried, that the hearing be closed.

CONSIDER LEVY OF THE DISTRICT'S 2021 TAX RATE

The Board then discussed the levying of the 2021 tax rate. Ms. Hebert confirmed that notice had been published in *The Katy Times* newspaper, a copy of which notice is attached hereto as **Exhibit C**, in accordance with all legal requirements and as directed at the previous meeting. After discussion on the matter, Director Ruske moved that: (i) the Board adopt the tax rate as proposed at the District's August 4, 2021, meeting and as reflected in the notice, being a 2021 debt service tax rate of \$0.315 per \$100 of valuation and a 2021 maintenance tax rate of \$0.095 per \$100 of valuation, resulting in a total 2021 tax rate of \$0.41 per \$100 of valuation; (ii) the Order Levying Taxes attached hereto as **Exhibit D** be adopted in connection therewith; and (iii) the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Handal seconded said motion, which carried unanimously.

AMENDMENT TO DISTRICT INFORMATION FORM

Mr. Yeates presented to and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form ("DIF") relative to the District's 2021 tax rate. After discussion regarding the amendment to the DIF, Director Olsen moved that (i) the DIF be approved, and (ii) the Board members present be authorized to execute same on behalf of the Board and the District. Director Ruske seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

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

ENGAGEMENT OF AUDITOR

The Board considered the engagement of an auditing firm to prepare the District's audit report for the fiscal year ending September 30, 2021. In connection therewith, Ms. Ramirez presented and reviewed with the Board a proposed engagement letter with BKD for the audit of the District's financial statements. She stated that the estimated cost to prepare the District's audit report is \$19,800, plus an administrative fee of \$1,000 to cover items such as report production, copies, postage and other delivery charges, and technology related expenses. After discussion on the matter, Director Handal moved that (i) BKD be engaged to prepare the District's audit report for the fiscal year ending September 30, 2021, in accordance with the terms of the engagement letter attached hereto as **Exhibit F**, (ii) that the President be authorized to execute same on behalf of the Board and District, and (iii) the Texas Ethics Commission ("TEC") Form 1295 from BKD be accepted. Director Olsen seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT AND BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated September 1, 2021, which includes a Quarterly Investment Inventory Report for the period ended June 30, 2021, a copy of which is attached hereto as **Exhibit G**. Mr. Watson next presented to and reviewed with the Board a proposed budget for the District's fiscal year ending September 30, 2022, a copy of which is included with the Bookkeeper's Report, regarding the District's general operating account. After discussion, Director Ruske moved that (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, except for check no. 8901, which was voided, (ii) the Quarterly Investment Inventory Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and the District, and (iii) the draft budget for the general operating account for the fiscal

year ending September 30, 2022, be adopted. Director Olsen seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated September 1, 2021, a copy of which is attached hereto as **Exhibit H**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. In connection with the proposed purchase and installation of a permanent emergency diesel generator at the joint Remote Well site, Mr. Safe presented to and reviewed with the Board a Well Production Summary report, dated August 30, 2021, for Water Well No. 1 at the Joint Water Plant site and Water Well No. 2 at the Remote Well site for the period January 2020 through June 2021, a copy of which is included with the Engineer's Report, as previously requested by the Board. He then responded to various questions from the Board. After discussion, Director Handal moved that the engineering fee proposal in the amount of \$68,000 for services performed by BGE in connection with the proposed purchase and installation of a permanent emergency diesel generator at the Remote Well site, which was previously presented at the Board of Directors meeting held on August 4, 2021, be approved. Director Olsen seconded the motion, and with Directors Handal, Olsen and Ruske voting "aye" and Director Feng voting "nay", the motion passed.

Mr. Safe next presented photographs depicting approximately 250 linear feet of erosion at the North Outfall Channel Detention Pond located at the southwest corner of Katy Gaston Road and Fry Road (the "Katy Gaston Pond"), copies of which are included with the Engineer's Report, and advised the Board that the cost for the proposed repair and/or rehabilitation of subject site utilizing the ShoreSOX erosion repair system is approximately \$150,000. After discussion, the Board requested that BGE obtain a proposal for repair and/or rehabilitation of approximately 250 linear feet of the Katy Gaston Pond utilizing the ShoreSOX method for consideration at next month's meeting.

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 September 1, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. Mr. Schroeder next presented Champions' proposal for Little Prong Creek Slope Repairs – Area "A", a copy of which is included with **Exhibit I**, in the total estimated amount of \$18,402.00, noting that the Board of Directors of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") approved said proposal at its meeting held on August 24, 2021. Mr. Safe next advised the Board of No. 34's discussion regarding the scope of Fort Bend County's (the "County") responsibility for maintenance of Little Prong Creek and reported that BGE is meeting with the County next week to discuss the matter. After discussion, Director Olsen moved that (i) the Board accept Champions' proposal for Little Prong Creek Slope Repairs – Area "A" and the related TEC Form 1295, subject to the results of BGE's meeting with the County, and (ii) SPH be authorized to acknowledge the District's receipt of same with the TEC. Director Handal seconded the motion, which unanimously carried.

Ms. Hebert left the meeting during the above discussion.

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

Ms. May presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of July 2021, a copy of which is attached hereto as **Exhibit J**. 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.

Ms. May reported that Inframark received a request from one (1) District customer for an adjustment to the water bill for account no. 60335 which was abnormally high due to a leak, as detailed in the O&M Report, which leak has since been repaired. She requested that the Board consider authorizing Inframark to bill said customer for the full amount of water usage at the District's lowest rate tier. Director Handal proposed that, going forward, Inframark be authorized to respond to first-time leak adjustment requests by billing such customers for the full amount of water usage at the lowest rate tier subject to receipt of proof of repair and provided that the credit is less than or equal to \$50.

Ms. May 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 \$321.83.

Ms. May next requested authorization from the Board to repair certain portions of the lawns at the District's Dog Park and Family Park sites. In connection therewith, she presented two (2) proposals from LIT for lawn repairs at the two (2) sites, copies of which are attached to the O&M Report, and advised that the estimated cost for repairs at the Dog Park is \$5,472.04 and the estimated cost for repairs at the Family Park is \$2,706.25. After discussion, the Board deferred action on the matter and requested that Champions provide a quote for ongoing maintenance of the District's Dog Park and Family Park sites.

Ms. May next reported that BGE has completed its review of the report summarizing the results of the Sanitary Sewer Televising and Cleaning Project, Year 2 of 5, and advised the Board that no point repairs are required at this time. She recommended, however, and the Board concurred, that certain portions of the subject sanitary sewer line be added to Inframark's monitoring program.

After discussion, Director Ruske moved that the Board authorize Inframark to (i) bill customers with first-time leak adjustment requests for the full amount of water usage at the District's lowest rate tier subject to receipt of proof of repair, provided that the credit is less than or equal to \$50, and (ii) refer two (2) delinquent accounts to collections, as discussed above. Director Handal seconded said motion, which unanimously carried.

STATUS OF DISTRICT WEBSITE AND IMPLEMENTATION OF MASS NOTIFICATION SYSTEM

The Board next considered the continued operation of the District's website and the status of implementation of a mass notification system within the District. In connection therewith,

Mr. Yeates presented an Analytics Report prepared by Apollo IT Consulting for the months of July and August 2021, a copy of which is attached hereto as **Exhibit K**, detailing trends in traffic to the District's website and the status of implementation of the District's customer messaging system.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Mr. Yeates discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic and advised that all of the policies and procedures made possible under said Resolution expired as of September 1, 2021.

CLOSED SESSION

The President announced at 3:17 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Section 551.071. Those in attendance, with the exception of the Board, Mr. Yeates and Ms. Walsh, exited at this time.

RECONVENE IN REGULAR SESSION

The Board reconvened in Regular Session at 3:37 p.m. No action was taken by the Board relative to matters discussed in Closed Session.

REMOTE PARTICIPATION IN FUTURE DISTRICT BOARD MEETINGS

The Board deferred consideration regarding potential remote participation in future District Board meetings until all five Directors are present to discuss the matter.

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

/s/ Steven Olsen
Secretary, Board of Directors

TABLE OF EXHIBITS

September 1, 2021

- Exhibit A: Monthly Contract Deputy Report
- Exhibit B: Letter Agreement with Seven Meadows Community Association, Inc.
- Exhibit C: Water District Notice – 2021 Tax Rate
- Exhibit D: Order Levying Taxes
- Exhibit E: Tax Assessor-Collector's Report
- Exhibit F: Engagement Letter – BKD, LLP
- Exhibit G: Bookkeeper's Report
- Exhibit H: Engineer's Report
- Exhibit I: Detention and Drainage Facilities Report; proposal for Little Prong Creek Slope Repairs – Area
- Exhibit J: Operations and Maintenance Report
- Exhibit K: District Website Analytics Report

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