

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

Minutes of Meeting of Board of Directors  
February 2, 2022

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on February 2, 2022, 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  
Steven Olsen, Secretary  
Tony Feng, Assistant Secretary  
Susan Ruske, Assistant Secretary

and all of said persons were present, except Director Feng, thus constituting a quorum. Director Battistini entered later in the meeting, as noted herein.

Also present were: Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Esther Flores and Laura Flores of Tax Tech, Inc. ("Tax Tech"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); David Beyer of Storm Water Solutions, LLC ("SWS"); Robert Lugo of Inframark ("Inframark"); and Bryan Yeates and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

**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 5, 2022. After discussion, Director Ruske moved that the minutes for said meeting be approved, as written. Director Olsen seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated February 2, 2022, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Olsen moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 9156, which was voided. Director Ruske seconded said motion, which unanimously carried.

Director Battistini entered the meeting at this time.

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

Mr. Yeates presented a Monthly Contract Deputy Report for the month of December, 2022, regarding FBCCO, a copy of which is attached hereto as **Exhibit B**. It was noted that no action was required of the Board.

## **INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES**

The Board next considered the approval of an Interlocal Agreement for Additional Law Enforcement Services (the "Interlocal Agreement") by and between the District, Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34"), Fort Bend County, Texas (the "County"), and Seven Meadows Community Association, Inc. ("Seven Meadows"), effective October 1, 2021, through September 30, 2022. Mr. Yeates advised the Board that SPH reviewed the Interlocal Agreement and had no comments to same. He noted that the Interlocal Agreement was approved and executed by Seven Meadows prior to today's meeting. After discussion, it was moved by Director Handal, seconded by Director Ruske and unanimously carried, that the Interlocal Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District.

## **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").

## **PROPOSAL FOR WILDFLOWER SEEDING**

With regard to the proposed application of wildflower seeds to certain recreational areas within the District, it was noted that No. 34 completed the application of wildflower seeds and that no proposal for same was provided to the District by No. 34. The Board then requested that the matter be removed from the agenda going forward.

## **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending January 31, 2022, a copy of which is attached hereto as **Exhibit C**. After discussion, it was moved by Director Olsen, seconded by Director Ruske and unanimously carried, that the Tax Assessor-Collector Report be approved as presented, 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 advised the Board that B&A Municipal Tax Service, LLC submitted an updated list of businesses located within the District's SPA boundaries to the COH on January 17, 2022, 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.

## **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Yeates outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2022, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older, from ad valorem taxes levied by the District during the calendar year 2022, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. The Board next recognized Ms. Crotwell, who presented to the Board a worksheet illustrating the potential effects of increasing the exemption for persons under a disability or sixty-five years of age or older for the 2022 tax year from \$30,000, a copy of which is attached hereto as **Exhibit D**. After further discussion of the matter, Director Olsen moved that the District (a) not grant a residential homestead exemption, and (b) grant an exemption of \$35,000 for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2022, and that the Resolution included in **Exhibit D** relative to same be passed and adopted by the Board and District. Director Handal 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, 2022 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, 2022. 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 2022 – 2023 policy term, a copy of which is attached hereto as **Exhibit E**. After discussion, the Board deferred action on the proposal from AJG and requested that SPH obtain an additional proposal from McDonald & Wessendorff Insurance for consideration at its next meeting in March.

## **ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated February 2, 2022, 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. In connection with the proposed purchase of a permanent emergency diesel

generator to be installed at the joint Remote Well site, Mr. Safe reported that BGE received one (1) bid through The Interlocal Purchasing System program ("TIPS Program") from Worldwide Power Products ("WPP") in the amount of \$235,150 for purchase and delivery of a 650 kW Caterpillar C18 emergency diesel generator (the "650 kW Caterpillar Generator"), a copy of which is included with the Engineer's Report. He noted that WPP's bid does not include unloading and installation, or any electrical work that may be required in connection therewith. Mr. Safe further noted that the current lead time for delivery of the 650 kW Caterpillar Generator is estimated to be between 49 and 51 weeks. With regard thereto, Mr. Safe reported that, in coordination with WPP, BGE is currently investigating the proposed purchase of a larger generator which, he advised, may end up costing less and possibly may be delivered earlier than the 650 kW Caterpillar Generator. Mr. Safe advised the Board that he is working to coordinate a meeting between Directors Battistini and Handal and Billy Haehnel and Jim Marken, members of the Board of Directors of No. 34, to review the matter between meetings and provide BGE with direction regarding same.

The Board noted that no action was required by the Board in connection with the Engineer's Report at this time.

#### **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 the County. After discussion on the matter, Director Handal 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.

#### **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 2022 Tax Year, attached hereto as **Exhibit H**, 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.

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

Mr. Safe next presented to and reviewed with the Board a Detention and Drainage

Facilities Report ("D&D Report") dated February 2, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. The Board noted that no action was required on its part in connection with the D&D 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 3 Annual Report for the District's SWMP (the "Annual Report") and a summary of the Year 4 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 Battistini moved that: (i) the Annual Report be approved as presented, and that the President be authorized to execute same on behalf of the Board and the District; and (ii) the utility bill insert be approved as presented. Director Ruske 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 4 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**

Mr. Lugo presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of December 2021, a copy of which is attached hereto as **Exhibit K**. Mr. Lugo reported to the Board that the District had approximately 93% 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, relative to the District's park facilities, a copy of which is attached to the O&M Report. Mr. Lugo further reported that the repair and/or rehabilitation of the District's Dog Park and Family Park sites is complete.

Mr. Lugo next presented two (2) delinquent accounts to be referred to collections in the total amount of \$192.46.

Mr. Lugo next requested that the Board authorize Inframark to prepare and submit the Water Smart Application for renewal of the District's membership in the Association of Water Board Directors Water Smart Partners Program, including a Resolution approving such submittal, a copy of which is included with **Exhibit K**.

Mr. Lugo next presented to the Board a proposed educational insert prepared by Best Trash regarding items that are acceptable for recycling (the "Recycling Insert"), a copy of which is attached to the O&M Report, and requested that the Board authorize Inframark to include said insert in District customers' upcoming water bills.

Director Ruske next discussed with the Board the status of preparations for the District's proposed Native Plant Event. In connection therewith, she suggested that the District engage Patty Potty to provide a live "No Wipes in the Pipes" presentation at the event.

Mr. Lugo next addressed the Board regarding the District's mass notification system. He reported that, per the Board's previous request, Inframark will begin including materials explaining said notification system in the welcome packets provided to new District customers. He further reported that Inframark is working with Apollo to coordinate another postcard mailing to encourage existing customers to register for the District's notification service, as previously authorized by the Board. Mr. Lugo next advised the Board that, going forward, the message on the back of customers' water bills will include information regarding how to register for the District's notification service.

After discussion, Director Handal moved that the Board authorize Inframark to (i) refer two (2) delinquent accounts to collections, as discussed above, (ii) include the Recycling Insert in customers' upcoming water bills, (iii) complete and submit the Water Smart Application for renewal of the District's Water Smart Partners Program membership to the Association of Water Board Directors on behalf of the Board and District, and approve the Resolution in connection therewith, and (iv) engage Patty Potty to appear at the District's upcoming Native Plant Event. Director Olsen seconded said motion, which unanimously carried.

#### **NORTH FORT BEND WATER AUTHORITY ("NFBWA") 2022 WATER PROVIDER CONSERVATION PROGRAM ENROLLMENT**

Mr. Lugo next discussed the District's participation in the NFBWA 2022 Water Provider Conservation Program (the "2022 Program"), which has replaced the Larry's Toolbox Program. In that regard, Mr. Lugo presented to and reviewed with the Board a flyer provided by the NFBWA detailing the 2022 Program's structure and initiatives and the 2022 Program Enrollment Form, copies of which are included with the O&M Report. He advised the Board that one of the required initiatives involves the formation of a Rebate Committee which must include two of the District's Directors plus one member of the community, such as a homeowners association representative, designated to serve as a community liaison. Mr. Lugo then discussed with the Board the initiatives that Inframark is recommending for the District's participation in the 2022 Program. After discussion, Director Handal moved that: (i) Directors Handal and Olsen be appointed to serve on the 2022 Program Rebate Committee; (ii) the Community Manager for Seven Meadows be designated to serve as the community liaison for said Committee; and (iii) the Board authorize Inframark to prepare and submit the enrollment form for the District's participation in the 2022 Program to the NFBWA prior to the March 1, 2022 deadline for same. Director Olsen seconded the motion, which carried unanimously.

#### **STATUS OF DISTRICT WEBSITE AND IMPLEMENTATION OF MASS NOTIFICATION SYSTEM**

The Board deferred further consideration of the status of implementation of the District's mass notification system, noting that the matter had been previously discussed during the Operations Report.

**MATTERS RELATED TO MAY 7, 2022 DIRECTORS ELECTION**

Mr. Yeates next updated the Board regarding various matters related to the District's Directors Election (the "Election") to be held on May 7, 2022.

**ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In connection therewith, Mr. Yeates discussed a memorandum from the NFBWA regarding the 2022 appointment process for the Board of Directors of the NFBWA, a copy of which is attached hereto as **Exhibit L**, and advised that the Board can nominate one person to the Board of Directors of the NFBWA to fill the Precinct No. 4 Director position. After discussion, the Board declined to nominate a candidate to serve on the Board of Directors of the NFBWA.

**CLOSED SESSION**

The Board determined that it would not be necessary to meet in Closed Session at this time.

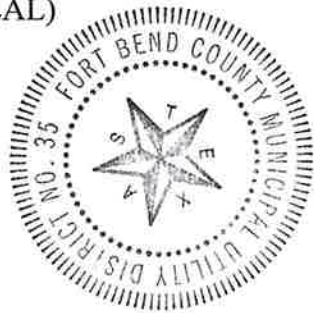
**FUTURE AGENDA ITEMS**

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.

**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.

(SEAL)



  
Secretary, Board of Directors

**TABLE OF EXHIBITS**

**February 2, 2022**

- Exhibit A: Bookkeeper's Report
- Exhibit B: FBCCO Monthly Activity Report
- Exhibit C: Tax Assessor-Collector's Report
- Exhibit D: Financial Advisor's analysis related to the possible increase of an exemption for persons under a disability or sixty-five years of age or older for the 2022 tax year; Resolution Concerning Exemptions from Taxation
- Exhibit E: Insurance Proposal from Arthur J. Gallagher, 2022-2023 Term
- Exhibit F: Engineer's Report
- Exhibit G: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit H: Resolution Concerning Developed District Status for 2022 Tax Year
- Exhibit I: Detention and Drainage Facilities Report
- Exhibit J: SWMP Annual Report and Training Summary; utility bill insert
- Exhibit K: Operations and Maintenance Report; Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program
- Exhibit L: NFBWA Memorandum regarding 2022 Appointment Process