

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

Minutes of Meeting of Board of Directors
April 6, 2022

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on April 6, 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 Directors Olsen and Feng, thus constituting a quorum.

Also present were: Matthew May and Dane Turner of Best Trash, LLC ("Best Trash"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Nate Jackson of Brown & Gay Engineers, Inc. ("BGE"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Robert Lugo of Inframark ("Inframark"); Shah Haleem, a resident of the District; and Kate Henderson and Katherine Edwards of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Schroeder entered the meeting after it was called to order, as noted herein.

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 March 2, 2022. After discussion, Director Battistini moved that the minutes for said meeting be approved, as written. Director Handal seconded said motion, which unanimously carried.

REVIEW OF ANNUAL CPI INCREASE FROM BEST TRASH

The Board considered the annual Consumer Price Index ("CPI") adjustment for garbage collection and recycling collection services for the District. In that regard, Mr. May discussed with the Board correspondence dated March 26, 2022, from Best Trash, a copy of which is attached hereto as **Exhibit A**, providing notice of a CPI increase effective June 1, 2022. Mr. May noted that, for this year, the garbage and recycling collection fee will increase from \$19.34 to \$20.24. After discussion, the Board concurred that an amendment of the District's Rate Order with respect to the monthly residential sanitary sewer service rate was not necessary at this time.

Mr. May and Mr. Turner left the meeting at this time.

Mr. Schroeder entered the meeting during the above discussion.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated April 6, 2022, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Handal moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check nos. 9235 and 9238, which were voided. Director Ruske seconded said motion, which unanimously carried.

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

The Board deferred consideration of a Monthly Contract Deputy Report for the month of February 2022 from the FBCCO and requested that a copy of said report be distributed to Directors via electronic mail prior to its next meeting.

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").

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending March 31, 2022, 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.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated April 6, 2022, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collections attorneys. A copy of said report is attached hereto as **Exhibit D**. The Board noted there were no action items in the report.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY AND AUTHORIZE DELINQUENT TAX ATTORNEYS TO COLLECT DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Henderson advised that the Board is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty

pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 5, 2022. After further discussion, it was moved by Director Battistini, seconded by Director Ruske, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit E**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2021 delinquent real property tax accounts on July 1, 2022, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report was filed by McCall, Parkhurst & Horton, LLP, the District's disclosure counsel on March 18, 2022, prior to the March 30, 2022 deadline.

ENGINEER'S REPORT

Mr. Jackson presented to and reviewed with the Board a written Engineer's Report dated April 6, 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. It was noted that no action was required by the Board in connection with the Engineer's Report 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 ("D&D Report") dated April 6, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. 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. Ms. Henderson advised the Board that there were no updates regarding the District's SWMP at this time.

OPERATIONS REPORT

Mr. Lugo presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of February 2022, a copy of which is attached hereto as **Exhibit H**. Mr. Lugo 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. Mr. Lugo next presented three (3) delinquent accounts to be referred to collections in the total amount of \$526.11.

In connection with the District's upcoming Native Plant Event, which is scheduled for April 23, 2022, Mr. Lugo presented a draft flyer prepared by Inframark advertising the event for

the Board's review and requested authorization to distribute said flyer to District customers as a separate mailer.

Mr. Lugo next discussed the District's participation in the North Fort Bend Water Authority ("NFBWA") 2022 Water Provider Conservation Program (the "2022 Program"). Noting that Director Olsen was originally appointed to serve as one of two Directors on the District's 2022 Program Rebate Committee, Mr. Lugo requested that the Board consider appointing another Director to fill the vacant position.

The Board next considered the status of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Lugo presented to and reviewed with the Board the Annual Program Report (the "Report"), a copy of which is attached to the O&M Report. He advised that said Report (i) indicates that no incidents of identity theft have occurred during the period of January 2021 through December 2021, and (ii) recommends that no changes be made to said Program at this time. The Board concurred with said recommendation.

The Board next considered authorizing Inframark to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Ms. Henderson advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality ("TCEQ"), the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2022.

After discussion, it was moved by Director Handal, seconded by Director Ruske and unanimously carried, that the Board (i) authorize Inframark to (a) refer three (3) delinquent accounts in the total amount of \$526.11 to collections, (b) distribute the Native Plant Event flyer to District customers as a separate mailer, and (c) prepare a draft CCR for review and approval by the Board; and (ii) appoint Director Battistini to serve on the 2022 Program Rebate Committee in place of Director Olsen.

NFBWA WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

With regard to the Annual Implementation Report regarding the District's Water Conservation Plan, Mr. Lugo stated that said report will be filed with the Texas Water Development Board and NFBWA prior to the May 1, 2022, deadline, as previously authorized by the Board.

STATUS OF DISTRICT WEBSITE AND IMPLEMENTATION OF MASS NOTIFICATION SYSTEM

The Board next considered the continued operation of the District's website and the continuing implementation of the District's mass notification system. In that regard, Ms. Henderson reported that Apollo advised SPH that there are now 345 contacts registered to receive electronic messages from the District.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson advised she had nothing further to report to the Board other than the items previously discussed.

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.

SPECIAL WARRANTY DEED

The Board next considered the conveyance of Director Lot No. 2 from Director Ruske back to the District. In that regard, Ms. Henderson presented to and reviewed with the Board a Special Warranty Deed for Director Lot No. 2. Upon review, Director Handal moved that the Special Warranty Deed for Director Lot No. 2 be approved, and that the President be authorized to execute same on behalf of the Board and District. Director Battistini seconded said motion, which unanimously carried.

DIRECTOR RESIGNATION

The Board next considered the resignations of Directors Olsen and Ruske as Directors of the District. In connection therewith, Ms. Henderson presented to the Board a resignation letter submitted by Director Olsen dated April 4, 2022, and a resignation letter submitted by Director Ruske dated April 6, 2022, copies of which are attached hereto as **Exhibit I**. After discussion, Director Handal moved that the resignation of Directors Olsen and Ruske as Directors of the District be accepted. Director Battistini seconded said motion, which carried unanimously.

Ms. Henderson advised that the remaining discussion and action items on the meeting agenda would be taken up at the May Board meeting. The meeting then adjourned due to a lack of quorum.



Secretary, Board of Directors

TABLE OF EXHIBITS

April 6, 2022

- Exhibit A: Notice from Best Trash Regarding Consumer Price Index Increase
- Exhibit B: Bookkeeper's Report
- Exhibit C: Tax Assessor-Collector's Report
- Exhibit D: Delinquent Tax Report
- Exhibit E: Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F: Engineer's Report
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Operations and Maintenance Report
- Exhibit I: Resignation Letters – Steven Olsen and Susan Ruske

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