

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

Minutes of Meeting of Board of Directors

May 6, 2020

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on May 6, 2020, 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:

Susan Ruske, President
Piero Battistini, Vice President
Sergio Handal, Secretary
Trevor Eynon, Assistant Secretary
Steven Olsen, Assistant Secretary

all of whom participated in the meeting via telephone conference call, thus constituting a quorum.

Also attending the meeting via telephone conference call were: Erica Slater 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"), who joined the call later in the meeting, as noted herein; Robert DeForest of KGA/DeForest Design, LLC ("KGA"); Katie May of Inframark ("Inframark"); 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.

COMMENTS FROM THE PUBLIC

The Board began by opening the meeting for public comments. There being no members of the public present, the Board continued to the next item of business.

APPROVAL OF MINUTES

As the next order of business, the Board considered approval of the minutes of its meeting held on April 1, 2020. After discussion, Director Ruske moved that the minutes for said meeting be approved as written. Director Olsen seconded said motion, which unanimously carried.

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

Ms. Slater next presented to and reviewed with the Board the FBCCO Activity Report for the month of April 2020, a copy of which is attached hereto as **Exhibit A**. Ms. Slater reported that last month a deputy assigned to the dayshift retired suddenly. She advised the Board that an interim deputy is covering the retired deputy's shift until the FBCCO is able to hire a permanent replacement. The Board noted there were no action items in the report.

DISCUSSION REGARDING ADDITIONAL SECURITY MEASURES WITHIN THE DISTRICT

The Board considered supplemental law enforcement services and proposed additional security measures within the District. In that regard, Mr. Yeates reported that the Katy Police Department recently installed twenty-two (22) of Flock Safety's ("Flock") motion-activated license plate readers at intersections within the City of Katy and advised the Board that Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") intends to receive a presentation by Flock relative to the installation of motion-activated license plate readers at the its next Board meeting in May. The Board deferred further discussion regarding whether to consider additional security measures for the District pending the results of a survey to be conducted by Seven Meadows of its residents regarding matters of security within the neighborhood and further updates from No. 34.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending April 30, 2020, a copy of which is attached hereto as **Exhibit B**. Ms. Flores reported that the preliminary taxable value of the District for the 2019 tax year is \$896,954,253, an approximate 6.6% increase over 2018. After discussion, it was moved by Director Ruske, 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 July.

REVIEW OF EVO METRICS REPORT

The Board next considered review of the EVO Metric Report (the "EVO Report") prepared by Municipal Financial Services, LLC ("MFS") for the fiscal year ended September 30,

2019, as well as the status of its contract with MFS. In that regard, Director Olsen advised the Board that he has directed various questions and requests for clarification to MFS, some of which, he reported, have not yet been answered. Director Olsen stated that he expects further revisions to be made by MFS to the EVO Report and recommended that the Board defer discussion regarding whether to terminate the District's contract with MFS until the EVO Report is final. The Board concurred with Director Olsen's recommendation and deferred further consideration of the EVO Report, as well as the status of the District's contract with MFS.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated May 6, 2020, a copy of which is attached hereto as **Exhibit C**. Mr. Watson noted the receipt of funds in the total amount \$32,411.58, which represents payment on two insurance claims filed by Inframark in connection with the replacement of lift pump nos. 1 and 2 at Lift Station No. 2. After discussion, Director Eynon moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment. Director Olsen seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY REPORT

The Board deferred consideration of approval of an Unclaimed Property Report as of March 1, 2020, and the filing of same with the State Comptroller prior to July 1, 2020, until its next meeting in June.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated May 6, 2020, a copy of which is attached hereto as **Exhibit D**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. Mr. Safe reported that, at its meeting on April 28, 2020, No. 34's Board of Directors concurred with the District's prior authorization for BGE to prepare a change order to the District's contract with DSP Industrial ("DSP") relative to the interior recoating of Hydro Tank No. 2 and Ground Storage Tank No. 1 at Water Plant No. 1 ("WP No. 1"). He advised the Board that BGE is proceeding with same.

In connection with the proposed replacement of the existing fences at the District's Joint Wastewater Treatment Plant and Joint Water Plant (collectively, the "Plants"), Mr. DeForest presented to and reviewed with the Board a Landscape Architect Report prepared by KGA dated May 6, 2020, a copy of which is attached hereto as **Exhibit E**. Mr. DeForest next presented to and reviewed with the Board a bid tabulation for the replacement of the existing fences, a copy of which is attached to the Landscape Architect Report, and advised that KGA received five (5) bids, with the lowest base bid from Republic Masonry & Fencing, LLC ("Republic Masonry"), in the amount of \$355,468.00 for concrete masonry unit ("CMU") blocks and \$336,731.00 for brick thinwall. He reported that, at its meeting on April 28, 2020, No. 34's Board of Directors, awarded the contract for CMU block construction of replacement fences at the Plants to Republic Masonry in the amount of \$355,468.00, as recommended by KGA.

After discussion, it was moved by Director Eynon, seconded by Director Battistini and unanimously carried, that the Engineer's Report and all action items listed therein be approved, including concurrence with No. 34 in the (i) approval of Pay Request No. 1 from DSP in the

amount of \$28,800, for recoating of ground storage tanks and hydro-tanks at WP No. 1; and (ii) award of a contract for CMU block construction of replacement fences at the Plant's to Republic Masonry, as detailed above.

Mr. Schroeder joined the meeting during the above discussion.

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

Mr. Schroeder presented to and reviewed with the Board a Detention and Drainage Facilities Report dated May 6, 2020, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit F**. With regard to the proposed erosion repairs to Little Prong Creek at Fry Road, Mr. Safe reported that, at its meeting on April 28, 2020, No. 34's Board of Directors concurred with the District's prior authorization for BGE to prepare plans and solicit bids for the repair of an approximate 300-foot portion of Little Prong Creek at Fry Road utilizing the SOX erosion repair system. He advised the Board that BGE intends to present an engineering proposal for same to No. 34 at its next Board of Directors meeting scheduled for May 26, 2020. 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 Stormwater Management Program. 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 March 2020, a copy of which is attached hereto as **Exhibit G**. 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, relative to the District's park facilities, a copy of which is attached to the O&M Report. Ms. May also presented two (2) accounts to be referred to collections in the total amount of \$189.64.

Ms. May reminded the Board that the District's Native Plant event originally scheduled for March 28, 2020, had been postponed due to the outbreak of COVID-19. She informed the Board that a new date has yet to be determined.

The Board next considered the disposition of delinquent utility accounts during the pendency of the COVID-19 pandemic. In that regard, Ms. May presented to and reviewed with the Board correspondence received from Fort Bend County Judge KP George, a copy of which is included with the O&M Report, requesting that all municipal utility districts located within Fort Bend County extend suspension of service disconnections and late fees through at least June 1, 2020.

After discussion, Director Battistini moved that the Board authorize Inframark to: (i) refer the two (2) delinquent accounts to collections, as detailed above; (ii) replace the mulch at the District's Family and Dog Park facilities for an estimated total cost of \$2,795.00; (iii)

continue to suspend service disconnections and late fees or penalties incurred after the local disaster proclamation on March 12, 2020, through June 3, 2020; (iv) continue to suspend door hangers for all District customers through June 3, 2020; and (v) continue to direct Past-Due Notifications to customers, as necessary, rather than Delinquent Notices. Director Handal seconded said motion, which unanimously carried.

Ms. May next reported that Inframark received a request from the District customer located at 25906 Orchard Knoll Lane, whose service was disconnected prior to the COVID-19 outbreak, for removal of the \$75.00 deposit charged to the customer's account. She advised the Board that said customer is currently receiving service and reviewed the customer's current circumstances and payment history with the Board. Ms. May next advised the Board that Inframark received a request from the District customer located at 7507 San Clemente Point Court for an adjustment to the customer's water bill, which was abnormally high due to filling of an in-ground swimming pool at said location. After discussion, Director Handal moved that the Board decline the requests from the customers located at 25906 Orchard Knoll Lane and 7507 San Clemente Point Court. Director Eynon seconded said motion, and the motion carried with Directors Handal, Eynon, Battistini, and Olsen voting aye and Director Ruske abstaining.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

With regard to the Annual Implementation Report regarding the District's Water Conservation Plan, Ms. May stated that said report was filed with the Texas Water Development Board and NFBWA on May 1, 2020, as previously authorized by the Board.

AUTHORIZE MOC TO PREPARE DRAFT CONSUMER CONFIDENCE REPORT

The Board considered authorizing Inframark to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Mr. Yeates 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, 2020. After discussion on the matter, it was moved by Director Eynon, seconded by Director Handal and unanimously carried, that Inframark be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with the TCEQ's regulatory requirements and its 2020 template.

APPROVAL OF THIRD AMENDMENT TO RESIDENTIAL SOLID WASTE COLLECTION, DISPOSAL AND RECYCLING AGREEMENT WITH BEST TRASH, LLC ("BEST TRASH")

The Board next considered approval of the Third Amendment to Residential Solid Waste Collection, Disposal and Recycling Collection Agreement between the District and Best Trash (the "Third Amendment"). Mr. Yeates advised that the Third Amendment reflects an increase in the monthly base rate paid to Best Trash for the collection and disposal of both residential and solid waste and recyclables, as discussed at the Board's April meeting. Following discussion, Director Olsen moved that the Board approve the Third Amendment and accept the Texas Ethics Commission Form 1295 provided by Best Trash. Director Eynon seconded the motion, which unanimously carried. A copy of the Third Amendment is attached hereto as **Exhibit H**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Yeates reviewed with the Board an updated Memorandum prepared by SPH regarding H.B. 3834 relative to Cybersecurity Training for Local Government Employees and Elected Officials and the cybersecurity training courses being offered by the Association of Water Board Directors, a copy of which is attached hereto as **Exhibit I**. Mr. Yeates advised that SPH is recommending that Board members complete the training by June 14, 2020, and upon completion of same, forward a copy of their Certificate of Completion to SPH for the District's files.

FUTURE AGENDA ITEMS

The Board considered items to be placed on future agendas. After consideration, no specific items other than routine and ongoing matters and those previously discussed at the day's meeting were requested.

ADJOURNMENT OF MEETING

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

/s/ Sergio Handal
Secretary, Board of Directors

TABLE OF EXHIBITS

May 6, 2020

- Exhibit A: Monthly Contract Deputy Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Bookkeeper's Report
- Exhibit D: Engineer's Report
- Exhibit E: Landscape Architect Report
- Exhibit F: Champions Maintenance Report
- Exhibit G: Operations and Maintenance Report; Correspondence from Fort Bend County Judge requesting suspension of service disconnections;
- Exhibit H: Third Amendment to Residential Solid Waste Collection, Disposal and Recycling Agreement
- Exhibit I: Updated Memorandum regarding H.B. 3834 relative to Cybersecurity Training for Local Government Employees and Elected Officials