

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

Minutes of Meeting of Board of Directors

February 5, 2020

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on February 5, 2020, 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:

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

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

Also present 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"); David Beyer of Storm Water Solutions, LLC ("SWS"); Katie May of Inframark ("Inframark"); Nag Jayaraman, a resident of the District; and Bryan Yeates and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

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 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 January 8, 2020. After discussion, Director Ruske moved that the minutes for said meeting be approved as written. Director Handal seconded said motion, which unanimously carried.

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

Ms. Slater presented a Monthly Contract Deputy Report for the month of January, 2020, regarding FBCCO, a copy of which is attached hereto as **Exhibit A**. It was noted that no action was required of the Board. Ms. Slater also presented to and reviewed with the Board

correspondence from a resident of the District, a copy of which is included in **Exhibit A**, regarding security within the District.

DESIGNATION OF AUTHORIZED REPRESENTATIVE FOR SUPPLEMENTAL LAW ENFORCEMENT COMMUNICATION MATTERS WITH FBCCO

The Board next considered designating a representative for supplemental law enforcement communication matters with the FBCCO. After discussion, Director Ruske moved that the Board designate Ms. Slater as the District's authorized representative for supplemental law enforcement communication matters with the FBCCO. Director Eynon seconded said motion, which unanimously carried.

Director Battistini entered the meeting at this time.

DISCUSSION REGARDING ADDITIONAL SECURITY MEASURES WITHIN THE DISTRICT

The Board deferred discussion regarding whether to consider additional security measures for the District pending further updates from Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34").

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending January 31, 2020, a copy of which is attached hereto as **Exhibit B**. After discussion, it was moved by Director Olsen, seconded by Director Handal and unanimously carried, that the Tax Assessor-Collector Report be approved as presented, and 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 presented email correspondence from B&A Municipal Tax Service, LLC ("B&A") as well as an updated list of businesses located within the District's SPA boundaries, copies of which are attached hereto as **Exhibit C** and advised the Board that B&A submitted same to the COH on December 19, 2019, 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. He stated that the next quarterly report will be provided in April.

STATUS OF EVO PROGRAM REPORT

The Board considered the status an EVO Analysis and Metrics Report ("EVO Report") being prepared for the District by Municipal Financial Services, LLC ("MFS"). Mr. Yeates advised the Board that MFS expects to present the EVO Report for the Board's review at the Board meeting scheduled for March 4, 2020.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated February 5, 2020, including a Quarterly Investment Report for the period ended December 31, 2019, copies of which is attached hereto as **Exhibit D**. After discussion, Director Ruske moved that the Bookkeeper's Report be approved and that the disbursements identified in the Bookkeeper's Report be approved for payment, except for check no. 8164, which was voided. Director Olsen seconded said motion, which unanimously carried.

Ms. Flores exited the meeting during the above discussion.

STATUS OF CONTINUING DISCLOSURE REPORT

Mr. Yeates advised the Board that the annual continuing disclosure report, due March 30, 2020, will be filed by the District's disclosure counsel after the audit has been finalized.

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, 2020. 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 2020 – 2021 policy term, a copy of which is attached hereto as **Exhibit E**. After discussion, Director Handal moved that the Board accept the proposal from AJG for all policies set forth in the attached proposal. Director Ruske seconded the motion, which carried unanimously.

Ms. Flores reentered the meeting during the above discussion.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated February 5, 2020, 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 contract with DSP Industrial ("DSP") for the recoating of Ground Storage Tank Nos. 1 and 2 and Hydro-Tank Nos. 1 and 2 at Water Plant No. 1, Mr. Safe advised the Board that BGE is in receipt of written confirmation from DSP that DSP will honor its originally intended bid prices for supplemental items, in the event that any may be required. After discussion, the Board noted that no action was required on its part 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 Fort Bend County ("County"). After discussion on the matter, Director Olsen 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 Ruske seconded said motion, which unanimously carried.

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 February 5, 2020, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit H**.

With regard to the proposed erosion repairs to Little Prong Creek at Fry Road, Mr. Safe presented to and reviewed with the Board a brochure, a copy of which is included with **Exhibit H**, provided by Double Oak Erosion ("Double Oak") regarding SOX Erosion Solutions, a proposed erosion repair system. Following discussion, the Board requested that a representative of Double Oak attend its meeting scheduled for March 4, 2020, to present more detailed information regarding the proposed technology.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's Stormwater Management Program. In that regard, Mr. Beyer presented to and reviewed with the Board the Year 1 Annual Report for the District's SWMP (the "Annual Report") and a summary of the Year 2 training and goals under same ("Training Summary"), copies of which are attached hereto as **Exhibit I**. He next presented a utility bill insert regarding stormwater runoff and prevention of stormwater pollution, a copy of which is included in **Exhibit I**, which is to be included in upcoming water bills to the District's customers. After discussion, Director Handal moved that the Annual Report be approved as presented, and that the President be authorized to execute the Annual Report on behalf of the Board and the District. Director Olsen 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 2 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

Ms. May presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of December 2019, a copy of which is attached hereto as **Exhibit J**. Ms. May reported to the Board that the District had approximately 95% 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 three (3) accounts to be written off in the total amount of \$32.96 and one (1) account to be referred to collections in the amount of \$80.64.

Ms. May next advised the Board that it is time to proceed with year 1 of the District's 5

year sanitary sewer televising project. In connection therewith, Ms. May requested that the Board authorize Inframark to televise Seven Meadows Subdivision, Sections twelve, thirteen, fourteen, fifteen and sixteen for an estimated cost of \$68,958.

Ms. May next reported to the Board that Inframark has received a request from the District customer located at 8014 Salta Verde Road for an adjustment to the customer's water bill which was abnormally high due to a leak, which leak has since been repaired. Ms. May asked that the Board consider authorizing Inframark to bill said customer for the full amount of water at the District's lowest rate tier.

Ms. May next advised the Board that the following projects have been completed: (i) the recoating of Lift Station No. 2; (ii) the replacement of Lift Pump Nos. 1 and 2 at Lift Station No. 2; and (iii) the repair of the hole beneath the fence at the District's Dog Park.

Ms. May next requested authorization from the Board to replace the mulch and pressure wash the sidewalks at the District's Family Park. In connection therewith, she presented a proposal from Edustrial Solutions for same; a copy of which is included in **Exhibit J**, at an estimated cost of \$2,339.30.

In connection with the District's participation in the 2020 Larry's Toolbox program, Ms. May noted that the District's Native Plant event is scheduled for March 28th and reviewed the preparations for same with the Board. Director Ruske next discussed arrangements for food to be offered at the event. After discussion, the Board determined to purchase hamburgers and hot dogs to be grilled on site.

After discussion, Director Ruske moved that the Board: (i) authorize Inframark to write off three (3) accounts and send one (1) account to collections, as detailed above; (ii) authorize Inframark to proceed with the District's year 1 annual sanitary sewer televising project, as detailed above; (iii) bill the customer at 8014 Salta Verde Road for the full amount of water usage at the District's lowest rate tier; (iv) approve the proposal from Edustrial Solutions, as detailed above; and (v) authorize Inframark to purchase 100 hamburgers and 100 hot dogs for the District's Native Plant event. Director Eynon seconded the motion, which unanimously carried.

Ms. Flores exited the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Yeates presented to and reviewed with the Board a memorandum prepared by SPH regarding Cybersecurity Training for Certain Local Government Employees and Elected Officials as contemplated in House Bill No. 3834, a copy of which memorandum is attached hereto as **Exhibit K**. Mr. Yeates noted that SPH should have a recommendation regarding same in the near future.

Mr. Yeates next advised the Board that SPH had forwarded the North Fort Bend Water Authority's ("NFBWA") 2020 Water Usage Report form to Inframark for completion. Ms. May stated that Inframark will complete the District's 2020 Water Usage Report and submit same to the NFBWA prior to the deadline on March 1, 2020.

FUTURE AGENDA ITEMS

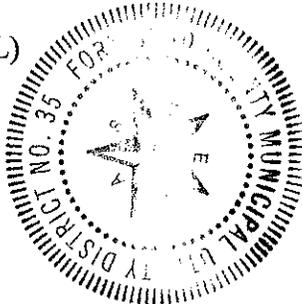
The Board considered items to be placed on future agendas. After consideration, no

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 Olsen seconded said motion, which unanimously carried.

(SEAL)



A handwritten signature in black ink, appearing to read "A. Handal", written over a horizontal line.

Secretary, Board of Directors

TABLE OF EXHIBITS

- Exhibit A: FBCCO Monthly Activity Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Updated list of businesses located within the District's SPA boundaries
- Exhibit D: Bookkeeper's Report; Quarterly Investment Report
- Exhibit E: Insurance Proposal from Arthur J. Gallagher, 2020-2021 Term
- Exhibit F: Engineer's Report
- Exhibit G: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit H: Champions Maintenance Report; Sox Erosion Solutions Product and Information Guide provided by Double Oak Erosion
- Exhibit I: SWMP Annual Report and Training Summary; utility bill insert
- Exhibit J: Operations and Maintenance Report
- Exhibit K: Memorandum regarding cyber security