

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

Minutes of Meeting of Board of Directors

March 4, 2020

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on March 4, 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 Ruske, thus constituting a quorum.

Also present were Erica Slater of Principal Management Group of Houston ("PMI"), Community Manager for Seven Meadows Community Association, Inc. ("Seven Meadows"); Esther Flores and Laura Flores of Tax Tech, Inc. ("Tax Tech"); Kathryn Foss of Municipal Financial Services, LLC ("MFS"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Joe Mattingly and Sam Cocke of Double Oak Erosion ("Double Oak"); Casey Cittadino of SOX Erosion Solutions ("SOX"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Katie May of Inframark ("Inframark"); Ken Schuepbach and Naomi Eynon, residents of the District; and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH").

The Vice 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 February 5, 2020. After discussion, Director Olsen moved that the minutes for said meeting be approved as written. Director Eynon 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 February, 2020, regarding FBCCO, a copy of which is attached hereto as **Exhibit A**. It was noted that no action

was required of the Board.

DISCUSSION REGARDING ADDITIONAL SECURITY MEASURES WITHIN THE DISTRICT

The Board deferred 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 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 February 29, 2020, a copy of which is attached hereto as **Exhibit B**. After discussion, it was moved by Director Battistini, 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.

APPROVAL OF AN ADDENDUM TO AGREEMENT FOR SERVICES OF TAX ASSESSOR-COLLECTOR CONCERNING TEXAS TAX CODE §§26.17-26.18

Ms. Flores next addressed the Board concerning the new requirements of Texas Tax Code Sections 26.17-26.18, as added by Senate Bill No. 2 in the 2019 state legislative session. Ms. Flores advised that, pursuant to Section 26.17, the chief appraiser for each appraisal district is now required to maintain a publicly accessible database that contains certain information for all property within its boundaries. She noted that the respective taxing units, including the District, are responsible for providing most of this information to the appraisal district and for updating it as necessary. She further advised that, pursuant to the separate provisions of Section 26.18, the District is now required to maintain, or have access to, a generally accessible website that posts certain administrative and financial information about the District and to likewise update it as necessary. Ms. Flores stated that Tax Tech is prepared to address these requirements on behalf of the District and reviewed a proposed Addendum to Contract for the Assessment and Collection of Taxes Concerning Texas Tax Code Sections 26.17 – 26.18 (the “Addendum”) setting forth the terms for same, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Eynon moved to (i) authorize Tax Tech to perform the necessary services to establish the District's compliance with these requirements, (ii) approve the Addendum, subject to final review by SPH, and (iii) authorize the Vice President to execute same. Director Battistini seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Ms. Henderson 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. She stated that the next quarterly report will be provided in April.

REVIEW OF EVO METRICS REPORT

Ms. Foss presented to and reviewed with the Board an EVO Metric Reports prepared by MFS for the fiscal year ended September 30, 2019, which includes comparisons to area and similar districts, a copy of which is attached hereto as **Exhibit D**. She then responded to various questions from the Board.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated March 4, 2020, a copy of which is attached hereto as **Exhibit E**. After discussion, Director Eynon 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. 8235, which was voided. Director Battistini seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report will be filed by the District's disclosure counsel prior to the March 30, 2020 deadline.

UNCLAIMED PROPERTY

The Board considered authorizing District consultants to research the District's accounts for unclaimed property and to authorize MAC to prepare an Unclaimed Property Report as of March 1, 2020. Mr. Yeates advised the Board that the District's consultants will review their records and provide MAC with a current listing of any unclaimed property in the District's accounts for preparation of the Unclaimed Property Report. He further advised the Board that MAC will file the report with the Comptroller of Public Accounts of the State of Texas and discharge any unclaimed funds to the Comptroller by July 1, 2020. After discussion, Director Eynon moved that the consultants be authorized to provide current listings of any and all unclaimed property to MAC and that, should any unclaimed property exist, MAC be authorized to file an Unclaimed Property Report with the Comptroller. Director Battistini seconded said motion, which unanimously carried.

Ms. Foss exited the meeting at this time.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated March 4, 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. After discussion, the Board noted that no action was required on its part in connection with the Engineer's Report at this time.

SUBMISSION OF CRITICAL LOAD STATUS INFORMATION TO RETAIL ELECTRIC PROVIDER

Ms. Henderson reported that Section 13.1396 of the Texas Water Code requires public water suppliers, such as the District, to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information related thereto. After discussion on the matter, Director Battistini moved that Inframark be authorized to make such annual filings on behalf of the District. Director Olsen seconded the motion, which carried unanimously.

PRESENTATION BY DOUBLE OAK EROSION

The Board next considered the proposed erosion repairs to Little Prong Creek at Fry

Road. In connection therewith, Mr. Cocke introduced himself, Mr. Mattingly and Mr. Cittadino to the Board. He then presented to and reviewed with the Board a brochure, a copy of which is attached hereto as **Exhibit G**, regarding the SOX erosion repair system, for which Double Oak is a certified supplier and installer. Mr. Cocke discussed with the Board Double Oak's history and experience with SOX's product and explained its advantages and method of installation. Following a lengthy discussion, it was moved by Director Handal, seconded by Director Olsen and unanimously carried, that BGE be authorized 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, subject to confirmation by SOX that it will provide a 10-year warranty on materials.

Director Handal exited the meeting at this time.

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 March 4, 2020, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit H**. 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.

Mr. Safe and Mr. Mattingly exited the meeting at this time.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's Stormwater Management Program. Ms. Henderson 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 January 2020, a copy of which is attached hereto as **Exhibit I**. Ms. May reported to the Board that the District had approximately 92% 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 next advised the Board that Inframark has received a complaint regarding recent use by construction contractors of the District's property near the Family Park to access the Katy Youth Cricket Fields behind Beckendorff Junior High School. She stated that Inframark will contact the appropriate representative at the Cinco Ranch Homeowners Association regarding the requirement to provide advance notice to the District before accessing the area in the future.

Ms. May next reported to the Board that Inframark has received a request from the District customer located at 5105 Heatherdawn Court for an adjustment to the customer's water bill which was abnormally high due to several leaks, which leaks have 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. After discussion, Director Battistini moved that the Board authorize Inframark to bill the customer at 5105 Heatherdawn Court for the full

amount of water usage at the District's lowest rate tier.

Mr. Safe reentered the meeting at this time.

With regard to the recoating of Lift Station No. 2, Ms. May advised the Board that BGE inspected the completed work and created a punch list of items to be addressed by the contractor, Preventative Services, LP. Ms. May stated that Inframark will follow up to verify that all items on the punch are addressed.

Mr. Cocke, Mr. Cittadino, Ms. Flores and Ms. Flores exited the meeting at this time.

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

The Board next considered authorizing Inframark to prepare and file the Annual Implementation Report regarding the District's Water Conservation Plan with the Texas Water Development Board and NFBWA. After discussion, Director Battistini moved that Inframark be authorized to prepare the Annual Implementation Report and file same with the Texas Water Development Board and NFBWA prior to the May 1, 2020, deadline. Director Olsen seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Ms. Henderson updated the Board regarding implementation of HB 3834 relating to cybersecurity training for certain local governmental employees and elected officials. She advised the Board that SPH's recommendation to all elected directors is to annually complete a Texas Department of Information Resources Certified cybersecurity training. She further advised that the first training program should be completed before the end of 2020, and that the Association of Water Board Directors is currently preparing a course for Cybersecurity Training that will be available to members in the future. She noted that SPH will collect the completion certificates and report same to the Board in a public meeting annually, which should satisfy the requirement for periodic compliance audits.

Ms. Henderson next presented to and reviewed with the Board correspondence from Fort Bend County Judge, the Honorable KP George, dated February 11, 2020, regarding the 2020 Census, a copy of which is attached hereto as **Exhibit J**. No action was taken by the Board at this time.

DISCUSSION REGARDING DIRECTORS ELECTION TO BE HELD MAY 2, 2020

With regard to the Directors Election to be held May 2, 2020, Ms. Henderson presented a list prepared by SPH of seven (7) candidates whose names will appear on the ballot, a copy of which is attached hereto as **Exhibit K**.

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 Eynon moved that the meeting be adjourned. Director Battistini seconded said motion, which unanimously carried.

(SEAL)

/s/ Sergio Handal

Secretary, Board of Directors

TABLE OF EXHIBITS

- Exhibit A: FBCCO Monthly Activity Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Addendum to Contract for the Assessment and Collection of Taxes Concerning Texas Tax Code Sections 26.17 – 26.18
- Exhibit D: EVO Metrics Report
- Exhibit E: Bookkeeper's Report
- Exhibit F: Engineer's Report
- Exhibit G: Sox Erosion Solutions Product and Information Guide provided by Double Oak Erosion
- Exhibit H: Champions Maintenance Report
- Exhibit I: Operations and Maintenance Report
- Exhibit J: Correspondence from Fort Bend County Judge, the Honorable KP George
- Exhibit K: List of Candidates