

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

Minutes of Meeting of Board of Directors

November 4, 2020

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on November 4, 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"); Katie May and Chris Townsend 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. 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 October 7, 2020. After discussion, Director Olsen 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 October, 2020, regarding FBCCO, a copy of which is attached hereto as **Exhibit A**. It was noted that no action was required of the Board.

INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

Ms. Slater next reported that the proposed renewal of the Interlocal Agreement for Law Enforcement Services by and between the District, Fort Bend County (the "County"), Seven Meadows, and No. 35 for the 2020 – 2021 term (the "Agreement") is currently being revised by the County to provide for 8-hour shifts instead of 10-hour shifts going forward. She advised the Board that the FBCCO will continue to provide law enforcement services on a month to month basis, per the terms of the previous Agreement.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending October 31, 2020, a copy of which is attached hereto as **Exhibit B**. 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 January.

BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated November 4, 2020, which includes a Quarterly Investment Report for the period ended September 30, 2020, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Ruske 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.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated November 4, 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. With regard to the proposed repair of an approximate 300-foot portion of Little Prong Creek at Fry Road utilizing the SOX erosion repair system, Mr. Safe provided an update regarding the status of discussions with Meadow Brook Farms Golf Club (the "Club") relative to acquiring access through its property to the proposed repair area. In connection therewith, he presented an exhibit depicting possible routes to access the repair area, a copy of which is included with the Engineer's Report, and recommended that a temporary access agreement be prepared, noting that efforts to obtain an access easement would greatly delay the project as such easement would have to be approved by the Club's lender. In order to determine the actual cost premium for access through the Club's property, Mr. Safe advised the Board that BGE intends to advertise for bids for repairs to Little Prong Creek utilizing the SOX erosion repair system with access provided through the Club's property as the base bid, and for alternate bid items for (a) repairs utilizing the SOX erosion repair system with materials hauled in from Fry Road and (b) repairs utilizing conventional repair methods. The Board noted that no action was required on its part in connection with the Engineer's Report at this time.

Director Olsen next requested that BGE provide him with an exhibit depicting the distribution of cost sharing percentages between the District, Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34"), and Grand Lakes Water Control and Improvement District ("GLWCID") for maintenance of the drainage improvements serving the lands within the District and No. 34, and certain lands within GLWCID.

LANDSCAPE ARCHITECT REPORT

Mr. Safe next presented to and reviewed with the Board a report from KGA DeForest Design, LLC dated November 4, 2020, a copy of which is attached hereto as **Exhibit E**. In connection therewith, Mr. Safe provided an update regarding the status of the contract with Republic Masonry & Fencing, LLC ("Republic") for the replacement of the existing fences at the District's Joint Wastewater Treatment Plant ("JWTP") and Joint Water Plant ("JWP"). After discussion, it was moved by Director Olsen, seconded by Director Battistini and unanimously carried, that the Landscape Architect Report and all action items listed therein be approved, including concurrence in approval by No. 34 of Pay Request No. 3 from Republic in the amount of \$49,767.84 for construction of replacement fences at the District's JWTP and JWP.

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 dated November 4, 2020, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit F**. In connection with the repair and/or rehabilitation of the concrete float paving and slope at Little Prong Creek near Fry Road, Mr. Schroeder requested that the Board concur with No. 34's approval of a change order prepared by Champions, a copy of which is included with **Exhibit F**, in the total amount of \$3,360.00 for an additional 70 tons of bullrock. After discussion, Director Battistini moved that the Board concur with No. 34's approval as discussed above. Director Olsen seconded the motion, which unanimously carried.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. 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 September 2020, a copy of which is attached hereto as **Exhibit G**. 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 ("LIT"), relative to the District's park facilities, a copy of which is attached to the O&M Report.

In connection with year 1 of the District's 5 year sanitary sewer televising and cleaning project, Ms. May presented a list detailing nine (9) required point repairs, a copy of which is attached to the O&M Report, and advised the Board that Inframark obtained three proposals to perform said repairs. Ms. May reported that Inframark provided the lowest bid at \$41,495.00.

Ms. May next reported that Inframark is in receipt of appeals from District customers located at 5543 Hazel Berry Way and 26103 Bent Meadow Court for waiver of the late payment fees and penalties applied to their accounts in the total amounts of \$25.84 and \$29.92, respectively. A discussion ensued regarding the specific facts and circumstances surrounding each customer's request.

With regard to maintenance of the District's Family Park and Dog Park, Ms. May requested authorization from the Board to pressure wash the facilities at both parks and restripe the parking lot at the Dog Park. In connection therewith, Ms. May presented a proposal prepared by Edustrial Solutions for same, a copy of which is attached to the O&M Report, in the total estimated amount of \$4,891.22. Ms. May next requested authorization from the Board to trim the trees at both of the District's parks. In connection therewith, Ms. May presented a proposal prepared by LIT for same, a copy of which is included with the O&M Report, in the total estimated amount of \$2,400.00.

Ms. May next presented a revised water bill insert, a copy of which is included with the O&M Report, advising customers of the potential damage caused to District facilities by flushing certain items and/or substances. She reported that the insert is currently being printed for inclusion in customers' upcoming water bills, noting that Director Olsen approved the revised insert between Board meetings, as previously authorized by the Board.

After discussion, Director Handal moved that the Board: (i) authorize Inframark to proceed with the nine (9) points repairs, as recommended by Inframark and as discussed above; (ii) approve the proposals from Edustrial Solutions and LIT, as recommended by Inframark and as detailed above; and (iii) deny both requests for waiver of penalties and interest. Director Battistini seconded the motion, which unanimously carried.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") LARRY'S TOOLBOX PROGRAM 2020 REPORT AND 2021 ENROLLMENT

Ms. May next discussed with the Board the status of the District's participation in the 2020 Larry's Toolbox Program (the "2020 Program"). She stated that the District has acquired 3

of the 9 points necessary to qualify for the 2020 Program and advised that she expects the District to obtain the final 6 points required prior to the December 31, 2020 deadline. With regard to the District's participation in the 2021 Larry's Toolbox Program (the "2021 Program"), Ms. May reported that Inframark is working to prepare the District's enrollment form for the 2021 Program, and advised the Board that she will present Inframark's 2021 Program recommendations for review at the Board of Directors meeting in December.

AMENDMENT OF THE DISTRICT'S RATE ORDER

The Board next considered an amendment to the District's Rate Order to account for the increase in NFBWA fees for groundwater pumpage and surface water. A discussion ensued regarding how to clarify the NFBWA fees for District customers. Director Olsen inquired whether the Board would like to authorize the preparation and distribution of a letter to the District's customers explaining the increase in NFBWA fees and noting past decreases in District taxes. He also inquired about the possibility of including a notification regarding the NFBWA fees on all water bills going forward and whether the Board would support same. After discussion, Director Handal moved that: (i) the District's Rate Order be amended to increase the NFBWA Surface Water Fee from \$4.30 per 1,000 gallons of water received to \$4.60 per 1,000 gallons of water received effective January 1, 2021; (ii) any and all Rate Orders heretofore adopted be revoked; (iii) the Rate Order, a copy of which is attached hereto as **Exhibit H**, be passed and adopted; (iv) the Board authorize a letter to be prepared by SPH and distributed by Inframark, as discussed above; and (v) the Board authorize Inframark to include notifications regarding the NFBWA fees on District customers' water bills going forward. Director Olsen seconded, said motion, which unanimously carried.

EMINENT DOMAIN REPORT

Mr. Yeates reported that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. After discussion, it was moved by Director Handal, seconded by Director Olsen and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

DISCUSSION REGARDING PROPOSED CREATION OF OFFICIAL LOGO FOR THE DISTRICT

The Board considered creation of an official logo for the District. It was noted that Director Ruske distributed a depiction of the proposed logo to the Directors for review prior to the meeting. A discussion ensued regarding various suggested changes to the proposed logo and the possible uses for same. After the discussion, Director Ruske stated that she would provide a depiction of the revised logo, reflecting the recommended changes, to the Directors for their review.

DISCUSSION REGARDING 2020 DIRECTORS ELECTION

The Board discussed the Directors Election held on November 3, 2020. Mr. Yeates reported that the official results are expected on or about November 10, 2020, and advised the

Board that a special meeting will be scheduled for November 13, 2020, at 9:00 a.m. to canvass said results.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. Mr. Yeates advised the Board that the District's Financial Advisor, Masterson Advisors, LLC ("Masterson"), had provided SPH, on behalf of the District, with Masterson's MSRB Rule G-10 Annual Disclosure, a copy of which is attached as **Exhibit I**.

FUTURE AGENDA ITEMS

The Board considered items to be placed on future agendas. Except as may be reflected above, there were no additional agenda items requested other than routine, ongoing matters.

ADJOURNMENT OF MEETING

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

(SEAL)

/s/ Sergio Handal, Secretary
Secretary, Board of Directors

TABLE OF EXHIBITS

November 4, 2020

- Exhibit A: FBCCO Monthly Activity 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: Detention and Drainage Facilities Report; Champions' change order relative to repair of concrete float paving at Little Prong Creek near Fry Road
- Exhibit G: Operations and Maintenance Report
- Exhibit H: Amended Rate Order
- Exhibit I: Masterson – MSRB Rule G-10 Annual Disclosure