

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

Minutes of Meeting of Board of Directors

April 7, 2021

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on April 7, 2021, in accordance with the duly posted notice of public meeting. The meeting was held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, but the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. The roll was called of the duly constituted members of said Board of Directors, as follows:

Susan Ruske, President  
Piero Battistini, Vice President  
Sergio Handal, Secretary  
Steven Olsen, Assistant Secretary  
Tony Feng, Assistant Secretary

all of whom announced they were present, thus constituting a quorum. s

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"); Robert Ponville, President of the Seven Meadows Board of Directors; Esther Flores of Tax Tech, Inc. ("Tax Tech"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Christopher Townsend of Inframark ("Inframark"); Christie Leighton of Best Trash, LLC ("Best Trash"); 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 March 3, 2021. After discussion, Director Olsen moved that the minutes for said meetings 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 March, 2021, regarding FBCCO, a copy of which is attached hereto as **Exhibit A**. Ms. Slater next advised the Board that the overnight shift officer resigned and that the FBCCO is looking to hire a replacement officer. It was noted that no action was required of the Board.

Ms. Slater next advised the Board that Fort Bend County (the "County") is revising the Interlocal Agreement for Law Enforcement Services by and between the District, the County, Seven Meadows, and Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") for the 2020-2021 term, which was approved by the Board at its meeting on December 2, 2020, subject to final approval by Seven Meadows, to reflect Seven Meadows' comments to same. She stated that Seven Meadows will circulate said Agreement to all parties for execution once it has been finalized.

### **DISCUSSION REGARDING REQUESTS FROM SEVEN MEADOWS**

The Board considered various requests from Seven Meadows. In connection the Board's previous discussion regarding the re-painting of numerous decorative light poles within the District by CenterPoint Energy ("CenterPoint"), the Board concurred with No. 34's approval to proceed with the proposed conversion to LED bulbs and painting of the decorative light poles within the District by CenterPoint at no cost to the District and delegated Director Ruske to work with Seven Meadows and CenterPoint to authorize same.

Ms. Slater next conveyed Seven Meadows' request that the Board consider installing warning signs by certain bodies of water within the District. In connection therewith, Mr. Yeates noted that the District does not own all of the land surrounding and beneath the various bodies of water within the District. He then reported that No. 34 requested that Seven Meadows provide a cost estimate for the fabrication and installation of such signage, as well as examples and an exhibit depicting proposed locations for installation of same, which Seven Meadows is currently working to prepare. After discussion, the Board concurred to consider the matter further at its next meeting upon receipt of such information.

## **TAX ASSESSOR-COLLECTOR REPORT**

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending March 31, 2021, 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.

## **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. Mr. Yeates 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. He 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 6, 2021. After further discussion, it was moved by Director Ruske, seconded by Director Handal, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, a copy of which is attached hereto as **Exhibit C**, be adopted by the District, and that Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") be authorized to proceed with the collection of the District's 2020 delinquent real property tax accounts on July 1, 2021, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

## **DELINQUENT TAX REPORT**

Mr. Yeates presented to and reviewed with the Board a Delinquent Tax Report dated April 7, 2021, from 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.

## **BOOKKEEPER'S REPORT**

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated April 7, 2021, a copy of which is attached hereto as **Exhibit E**. Mr. Watson next addressed the Board regarding the appointment of a member of the Board to serve as the District's Voting Member Representative for the upcoming Association of Water Board Directors ("AWBD") Bylaws Amendments Vote and Trustee Elections. After discussion, Director Olsen moved that (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment and (ii) Director Handal be authorized to serve as the District's Voting Member Representative, as discussed. Director Ruske seconded said motion, which unanimously carried.

## **STATUS OF CONTINUING DISCLOSURE REPORT**

Mr. Yeates advised the Board that the annual continuing disclosure report was filed by

the District's disclosure counsel on March 17, 2021, prior to the March 30, 2021 deadline.

**REVIEW OF PRELIMINARY PLAN OF FINANCING FOR DISTRICT'S PROPOSED UNLIMITED TAX REFUNDING BONDS, SERIES 2021 AND ESTABLISH PARAMETERS FOR SALE OF SAME**

Ms. Moran next addressed the Board regarding the District's proposed Series 2021 Unlimited Tax Refunding Bonds (the "Series 2021 Refunding Bonds"). In connection therewith, Ms. Moran presented to and reviewed with the Board a revised preliminary plan of financing prepared by Masterson, a copy of which is attached hereto as **Exhibit F**. After a detailed discussion on the refunding proposal outlined by Ms. Moran, it was moved by Director Olsen that: (i) the District proceed with the issuance of its Series 2021 Refunding Bonds, as outlined in the attached Preliminary Plan of Financing, and that the District's consultants be authorized to proceed with the preparation of a final Plan of Financing and a Pricing Certificate in connection therewith, subject to (a) the District achieving a minimum net present value savings of 3% at the time of the sale of the Series 2021 Refunding Bonds, and (b) said bonds being issued in an aggregate principal amount not to exceed \$5,000,000; and (ii) such approval to proceed be valid for six (6) months. Director Ruske seconded said motion, which unanimously carried.

**APPROVAL OF ORDER AUTHORIZING ISSUANCE OF BONDS RELATIVE TO SERIES 2021 REFUNDING BONDS AND DELEGATION OF AUTHORITY PURSUANT TO TEXAS GOVERNMENT CODE SECTION 1207.007; AND APPROVAL OF FORM OF BOND PURCHASE AGREEMENT**

The Board next considered the approval of an Order Authorizing the Issuance, Sale and Delivery of the District's Series 2021 Refunding Bonds ("Bond Order"). Mr. Yeates advised the Board that the District, pursuant to Texas Government Code Section 1207.007, may delegate authority to any officer of the Board to take certain acts to effect the sale of the Series 2021 Refunding Bonds, subject to the minimum parameters for the transaction established by the Board being met. After discussion, it was duly moved by Director Olsen, seconded by Director Ruske and unanimously carried, that (i) the Bond Order attached hereto as **Exhibit G** be passed and adopted by the Board and the District, and (ii) Director Ruske be delegated the authority to act on behalf of the District, in accordance with Texas Government Code Section 1207.007, to effectuate the sale of the Series 2021 Refunding Bonds if the parameters in the Bond Order (as set forth above) are met, with such delegated authority to expire on September 31, 2021, if the Series 2021 Refunding Bonds are not sold by said date, unless otherwise extended by the Board of Directors.

Mr. Yeates next discussed with the Board the form of the proposed Bond Purchase Agreement to be executed by the District and the Underwriters in connection with the purchase of the District's Series 2021 Refunding Bonds. After discussion, it was duly moved by Director Olsen, seconded by Director Ruske and unanimously carried, that (i) the form of Bond Purchase Agreement be approved by the Board; and (ii) SAMCO Capital Markets, Inc., be designated Underwriter relative to the Series 2021 Refunding Bonds and that Director Ruske, as President of the District, be designated as the officer to receive and acknowledge the receipt of MSRB Rule G-17 disclosures.

## **ENGAGEMENT OF SPECIAL TAX COUNSEL RELATIVE TO SERIES 2021 REFUNDING BONDS**

There was next a discussion regarding the engagement of McCall, Parkhurst & Horton, L.L.P. ("MPH") as Special Tax Counsel relative to the District's Series 2021 Refunding Bonds. In connection therewith, Mr. Yeates presented and reviewed with the Board the engagement letter prepared by MPH, a copy of which is attached hereto as **Exhibit H**. The Board then reviewed and discussed the requirements of same pursuant to Section 2254.1036 of the Texas Government Code, as set forth in the Notice of Contingent Fee Engagement of Special Tax Counsel related to same. The Board also considered the Resolution Approving Contingent Fee Contract for Legal Services, a copy of which is attached hereto as **Exhibit I**. After further discussion, it was moved by Director Olsen, seconded by Director Ruske, and unanimously carried, that: (i) the District engage MPH to serve as the Special Tax Counsel relative to the Series 2021 Refunding Bonds; (ii) the engagement letter be approved and the President be authorized to execute same on behalf of the Board and the District; (iii) the receipt of MPH's Texas Ethics Commission ("TEC") Form 1295 be acknowledged as required by state law; and (iv) the Resolution Approving Contingent Fee Contract for Legal Services be adopted by the District, and the President be authorized to execute and the Secretary to attest to same on behalf of the Board and the District.

## **DESIGNATION OF PAYING AGENT/REGISTRAR RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board next considered the designation of a Paying Agent/Registrar and the approval and execution of a Paying Agent/Registrar Agreement in connection with the District's Series 2021 Refunding Bonds. Mr. Yeates advised that Regions Bank ("Regions") has submitted a proposal to serve as Paying Agent/Registrar for the Series 2021 Refunding Bonds. He then presented for the Board's approval and execution a proposed Paying Agent/Registrar Agreement between the District and Regions. After discussion on the matter, Director Olsen moved that (i) Regions be designated as Paying Agent/Registrar in connection with the District's Series 2021 Refunding Bonds, (ii) the proposed Paying Agent/Registrar Agreement be approved by the Board, and (iii) the President be authorized to execute same on behalf of the Board and the District. Director Ruske seconded said motion, which carried unanimously.

## **DESIGNATION OF ESCROW AGENT AND APPROVAL AND EXECUTION OF AN ESCROW AGREEMENT RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board next considered the designation of an Escrow Agent relative to the District's Series 2021 Refunding Bonds. Ms. Moran recommended that Regions be designated as Escrow Agent for said refunding bond issue. After discussion on the matter, Director Olsen moved that Regions be designated as Escrow Agent in connection with the District's Series 2021 Refunding Bonds, and that the President be authorized to execute an Escrow Agreement between the District and Regions on behalf of the Board and the District. Director Ruske seconded said motion, which carried unanimously.

**DESIGNATION OF VERIFICATION AGENT RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board next considered the designation of a Verification Agent relative to the District's Series 2021 Refunding Bonds. Mr. Yeates advised the Board that the ordinance of the City of Houston (the "COH") applicable to the issuance of refunding bonds by the District requires that the District engage an independent accountant to conduct an audit to verify the savings to be experienced by the District as a result of the Series 2021 Refunding Bonds and compliance with various other requirements of the COH ordinance. Mr. Yeates further advised that Public Finance Partners LLC had submitted a proposal to act as Verification Agent for said refunding bond issue, and Ms. Moran recommended that Public Finance Partners LLC be engaged by the District for same. After discussion on the matter, Director Olsen moved that the Board engage the services of Public Finance Partners LLC to act as Verification Agent for the District's Series 2021 Refunding Bonds, subject to the receipt of a TEC Form 1295 from Public Finance Partners LLC in connection with same. Director Ruske seconded said motion, which carried unanimously.

**APPROVAL OF PRELIMINARY OFFICIAL STATEMENT RELATIVE TO SERIES 2021 REFUNDING BONDS AND AUTHORIZE COMPLETION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT**

Ms. Moran reviewed in detail with the Board the Preliminary Official Statement in connection with the District's Series 2021 Refunding Bonds. After discussion on the matter, Director Olsen moved that: (i) said Preliminary Official Statement be approved, completed and distributed according to the sale of the Series 2021 Refunding Bonds, subject to the final review and approval of same by the Directors, SPH, and other consultants, as appropriate; (ii) said Preliminary Official Statement be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, aggregate principal amounts and other similar information, terms and provisions; and (iii) upon the sale of the Series 2021 Refunding Bonds, Masterson be authorized to complete and distribute a Final Official Statement, subject to receipt and inclusion of final pricing and related information, in connection with the Series 2021 Refunding Bonds. Director Ruske seconded said motion, which unanimously carried.

**AUTHORIZE SUBSCRIPTION FOR AND PURCHASE OF U.S. GOVERNMENT SECURITIES IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2021 REFUNDING BONDS**

The Board next considered authorizing the subscription for and purchase of State and Local Government Securities ("SLGS") or open market securities in connection with the issuance of the Series 2021 Refunding Bonds. After discussion on the matter, Director Olsen moved that the Board authorize subscription for and purchase of SLGS in connection with the Series 2021 Refunding Bonds, if necessary. Director Ruske seconded said motion, which unanimously carried.

## **ISSUANCE OF PAYMENT FOR ATTORNEY GENERAL FEES**

The Board next considered authorizing the District's Bookkeeper to issue a payment to the Office of the Attorney General for review and approval of the transcript of proceedings relative to the Series 2021 Refunding Bonds. After discussion on the matter, Director Olsen moved that the District's Bookkeeper be authorized to issue the payment to the Office of the Attorney General relative to the sale of the Series 2021 Refunding Bonds. Director Ruske seconded the motion, which carried unanimously.

## **AUTHORIZE EXECUTION OF VARIOUS ADDITIONAL DOCUMENTATION FOR INCLUSION IN TRANSCRIPT OF PROCEEDINGS RELATIVE TO SERIES 2021 REFUNDING BONDS**

As the next order of business, the Board considered authorizing the execution of various additional documentation for inclusion in the transcript of proceedings to be submitted to the Attorney General of the State of Texas relative to the issuance of the Series 2021 Refunding Bonds. After discussion, upon motion made by Director Olsen, seconded by Director Ruske and unanimously carried, the Board authorized the President (or Vice President) and Secretary (or Assistant Secretary) to execute any additional documentation required for inclusion in the transcript of proceedings to be submitted to the Attorney General of the State of Texas relative to the issuance of the Series 2021 Refunding Bonds.

## **EXECUTE PRICING CERTIFICATE AND BOND PURCHASE AGREEMENT RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board next considered authorizing the President, or in the absence of the President, the Vice President, to execute the Pricing Certificate and Bond Purchase Agreement relative to the Series 2021 Refunding Bonds. After discussion, it was moved by Director Olsen, seconded by Director Ruske and unanimously carried that, pursuant to Texas Government Code Section 1207.007, the President, or in the absence of the President, the Vice President, be authorized to execute the Pricing Certificate and Bond Purchase Agreement relative to the Series 2021 Refunding Bonds at the appropriate time.

## **AUTHORIZE DISBURSEMENT OF BOND PROCEEDS RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board next considered authorizing the disbursement of bond proceeds from the Series 2021 Refunding Bonds. After discussion on the matter, Director Olsen moved that, upon closing of the Series 2021 Refunding Bonds, said disbursements be authorized in all respects. Director Ruske seconded said motion, which unanimously carried.

## **AUTHORIZE EXECUTION OF CLOSING DOCUMENTATION RELATIVE TO SERIES 2021 REFUNDING BONDS**

There was next a discussion regarding the approval of various documents to be utilized at the closing relative to the Series 2021 Refunding Bonds. After discussion, Director Olsen moved that the closing documents be approved and that the President (or Vice President) be authorized to execute and the Secretary (or the Assistant Secretary) to attest same on behalf of the Board and the District. Director Ruske seconded said motion, which unanimously carried.

**AUTHORIZE EXECUTION AND FILING OF INTERNAL REVENUE SERVICE REPORTING FORM RELATIVE TO SERIES 2021 REFUNDING BONDS**

The Board considered the approval and execution of Internal Revenue Service Form 8038-G (the "Form") relative to the Series 2021 Refunding Bonds. After discussion on the matter, Director Olsen moved that same be approved by the Board, that the President (or Vice President) be authorized to execute the Form on behalf of the Board and the District, and that the Form be filed as required with the Internal Revenue Service. Director Ruske seconded said motion, which unanimously carried.

**AUTHORIZE MATERIAL EVENT NOTICE FILING BY DISCLOSURE COUNSEL**

Mr. Yeates next advised the Board that under the applicable provisions of Rule 15c2-12 promulgated by the United States Securities Exchange Commission and the Order authorizing the issuance of the District's Series 2013 Unlimited Tax Refunding Bonds, the call for redemption of the bonds issued thereunder being refunded through the issuance of the Series 2021 Refunding Bonds (the "Refunded Bonds") constitutes a material event, of which the District must provide notice. He advised the Board that the District's Disclosure Counsel would file such notice with the Municipal Securities Rulemaking Board repository as required. After discussion on the matter, Director Olsen moved that the District's Disclosure Counsel be authorized to file the material events notice pursuant to the Order authorizing the issuance of the Refunded Bonds at the appropriate time. Director Ruske seconded said motion, which unanimously carried.

**ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated April 7, 2021, a copy of which is attached hereto as **Exhibit J**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. Mr. Safe reported that BGE is currently preparing cost estimates for the purchase and installation of either a diesel or a natural gas emergency generator at the District's remote water well site located at Gaston Road and Cansfield Way, as authorized by No. 34's Board of Directors at its meeting held on March 24, 2021. He advised the Board that BGE will present said cost estimates for the Board's consideration at the next Board meeting in May. The Board noted that no action was required on its part in connection with the Engineer's Report at this time.

**DISCUSSION REGARDING PROPOSED NOISE BARRIERS TO BE CONSTRUCTED BY TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT") ALONG THE GRAND PARKWAY**

The Board next considered the proposed construction by the Texas Department of Transportation ("TxDOT") of noise barriers in connection with the planned widening of the Grand Parkway from FM 1093 to Interstate 10 (the "Noise Barrier Project"). In connection therewith, Mr. Yeates briefly reminded the Board of previous discussions and presentations regarding the matter. Mr. Ponville advised the Board that Seven Meadows has notified TxDOT that Seven Meadows and the District are prepared to proceed with the Noise Barrier Project and

stated that there have been no updates from TxDOT. No further action was taken by the Board at this time.

### **DISCUSSION REGARDING CONSTRUCTION BY FORT BEND COUNTY OF A PROPOSED SIDEWALK ALONG THE EAST SIDE OF KATY GASTON ROAD**

With regard to the proposed construction by Fort Bend County Precinct 3 of a sidewalk along the east side of Katy Gaston Road between Fry Road and Summerset Ridge Lane (the "Pct. 3 Sidewalk Project"), Mr. Yeates summarized the Board's previous discussions, noting that, at its meeting held on February 3, 2021, the Board declined to proceed with said project. Mr. Ponville next reminded the Board that, at its meeting held on February 23, 2021, No. 34's Board of Directors approved No. 34's participation in the Pct. 3 Sidewalk Project for an amount not to exceed the current estimated total cost and respectfully requested that the Board reconsider the District's participation in said project. After a lengthy discussion, it was moved by Director Ruske that the District participate in the Pct. 3 Sidewalk Project. Director Feng seconded said motion, and with Directors Ruske and Feng voting "aye", and Directors Handal, Battistini and Olsen voting "nay", the motion failed to pass.

### **LANDSCAPE ARCHITECT REPORT**

Mr. Safe next presented to and reviewed with the Board a report from KGA DeForest Design, LLC dated April 7, 2021, a copy of which is attached hereto as **Exhibit K**. 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"). The Board noted that no action was required on its part in connection with the Landscape Architect 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 dated April 7, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit L**. A discussion ensued regarding areas of erosion at the detention pond located near the intersection of Katy Gaston Road and Fry Road. Following discussion, the Board requested that Champions and BGE coordinate to prepare a proposal for the repair and/or rehabilitation of same.

### **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**

Mr. Townsend presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of February 2021, a copy of which is attached hereto as **Exhibit M**. Mr. Townsend reported to the Board that the District had approximately 97% 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. He further reported that the replacement of rocks along the fencing at the District's Dog Park is complete.

Mr. Townsend next presented a list of one (1) delinquent account, a copy of which is included with the O&M Report, to be referred to collections in the total amount of \$103.47.

Mr. Townsend next discussed the operations of the District's facilities and systems during Winter Storm Uri with the Board. A discussion then ensued regarding leak adjustment requests and proposed credit to customers who experienced water loss related to damage caused by Winter Storm Uri. In that regard, Mr. Townsend reviewed with the Board adjustment requests received from three (3) District customers due to leaks caused by said storm, as detailed in the O&M Report. He reported that all three (3) customers have provided evidence of damage and repair and noted that, per the Board's previous guidance regarding leaks as a result of Winter Storm Uri, said customers will be billed at the District's lowest rate tier. He further reported that all three (3) customers have requested that their bills be adjusted to their average water usage for the period instead of being billed at the District's lowest rate tier and requested direction from the Board regarding such requests. In connection therewith, Mr. Yeates next discussed the preparation of a District leak adjustment policy as a result of Winter Storm Uri, and presented to and reviewed with Board the North Fort Bend Water Authority's (the "NFBWA") Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits, a copy of which is attached hereto as **Exhibit N**. He then explained the procedural requirements for retail water providers when requesting relief credits from for groundwater reduction plan fees billed by the NFBWA. He noted that, should a district waive NFBWA fees charged to customers pursuant to a leak adjustment policy related to Winter Storm Uri, such district will be eligible to receive a credit from the NFBWA for the waived fees, subject to receipt by the NFBWA of the appropriate documentation from the district operator. A discussion ensued as to a uniform District policy for adjustments to customer bills due to Winter Storm Uri.

Mr. Yeates next reminded the Board that last month Inframark was authorized to suspend service disconnections and the accrual of late fees and penalties until April 7, 2021, with Inframark to issue revised delinquent notices to customers as a reminder to pay their water bills, and advised that the Board must determine whether to continue said procedures until its next meeting.

The Board next considered the status of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Townsend 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 2020 through December 2020, 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. 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, 2021.

After discussion, Director Olsen moved that the Board: (i) adopt a leak adjustment policy pursuant to the terms and conditions set forth by the NFBWA; (ii) authorize Inframark to (a) adjust the water bills for the three (3) accounts discussed above to each customer's average monthly usage for the period and waive the NFBWA fees for usage in excess of such amount, (b) resume the District's regular delinquent procedures pursuant to the terms of the District's Rate Order, (c) refer one (1) delinquent account to collections, as discussed above, and (d) prepare a draft CCR; and (iii) authorize SPH to review the draft CCR for compliance with the TCEQ's regulatory requirements and its 2020 template. Director Handal seconded the motion, which unanimously carried.

### **PROPOSALS FOR IMPLEMENTATION OF MASS NOTIFICATION SYSTEM**

The Board next considered the proposed implementation of a mass notification system for communicating with the residents of the District. In connection therewith, Mr. Townsend reviewed with the Board proposals received from Apollo IT Consulting, LLC ("Apollo"), Classic Messaging, LLC, Off Cinco, and Touchstone District Services, LLC, which were circulated to the Board for review prior to today's meeting. It was noted by the Board that Apollo's previous proposal specified an administration fee for its text messaging services of \$65.00 per month to be charged only for months in which text notifications are distributed by Apollo on behalf of the District. After discussion on the matter, Director Handal moved that the Board approve the proposal from Apollo, a copy of which is attached hereto as **Exhibit O**, subject to (i) SPH's review and confirmation of revision by Apollo to provide that the payment of the \$65.00 administration fee is only charged to the District during the months in which the District utilizes the text notification system, and (ii) receipt of a TEC Form 1295 from Apollo. Director Olsen seconded said motion, which unanimously carried.

### **NFBWA WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT**

With regard to the Annual Implementation Report regarding the District's Water Conservation Plan, Mr. Townsend stated that said report will be filed with the Texas Water Development Board and NFBWA prior to the May 1, 2021, deadline, as previously authorized by the Board.

### **2020 WATER LOSS AUDIT**

As the next order of business, the Board considered the status of preparation of the District's 2020 water loss audit ("Audit"). After discussion, Director Handal moved that the District's Water Loss Audit be approved and that Inframark be authorized to file such Audit with the Texas Water Development Board prior to the May 1, 2021 deadline. Director Ruske seconded the motion, which unanimously carried.

### **DISCUSSION REGARDING THE AMERICA'S WATER INFRASTRUCTURE ACT OF 2018**

Mr. Safe advised that BGE is in the process of preparing the District's risk and resilience assessment, which is due by June 30, 2021.

## **CYBERSECURITY TRAINING**

Mr. Yeates reminded the Board of the annual cybersecurity training requirement as set forth by the AWBD and reviewed the training dates with the Board. He requested that the Board members complete their cybersecurity training and provide a copy of their training certificate to SPH.

## **ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In that regard, Mr. Yeates discussed with the Board correspondence dated March 25, 2021, from Best Trash, a copy of which is attached hereto as **Exhibit P**, regarding notice of a Consumer Price Index ("CPI") increase for garbage collection and recycling collection services for the District. Mr. Yeates noted that, for this year, the garbage and recycling collection fee will increase from \$18.65 to \$19.34, effective as of June 1, 2021. 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.

## **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 to be placed on future agendas. In connection therewith, Mr. Watson requested that an item be placed on the agenda for next month's meeting to consider an amendment to the Amended and Restated Agreement for Bookkeeping Services by and between the District and MAC.

## **ADJOURNMENT OF MEETING**

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

/s/ Sergio Handal  
Secretary, Board of Directors

## **TABLE OF EXHIBITS**

**April 7, 2021**

- Exhibit A: FBCCO Monthly Activity Report
- Exhibit B: Tax Assessor-Collector's Report
- Exhibit C: Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D: Delinquent Tax Report
- Exhibit E: Bookkeeper's Report
- Exhibit F: Preliminary plan of financing; list of underwriters
- Exhibit G: Order Authorizing the Issuance, Sale and Delivery of the Series 2021 Refunding Bonds
- Exhibit H: MPH Engagement Letter (Special Tax Counsel)
- Exhibit I: Resolution Approving Contingent Fee Contract for Legal Services
- Exhibit J: Engineer's Report
- Exhibit K: Landscape Architect Report
- Exhibit L: Detention and Drainage Facilities Report
- Exhibit M: Operations and Maintenance Report
- Exhibit N: North Fort Bend Water Authority Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits
- Exhibit O: Proposal for Implementation of Mass Communication System within the District by Apollo IT Consulting, LLC
- Exhibit P: Notice from Best Trash Regarding Consumer Price Index Increase