

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

Minutes of Meeting of Board of Directors
August 7, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on August 7, 2024, at 1300 Post Oak Boulevard, Suite 2500, 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:

Piero Battistini	President
Sergio Handal	Vice President
Trevor Eynon	Secretary
Shah Haleem	Assistant Secretary
Garima D Gupta	Assistant Secretary

and all of said persons were present, except Director Haleem, thus constituting a quorum. Director Haleem entered the meeting after it was called to order, as noted herein.

Also present were: Brian Desilets of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Dawn Mouton of Inframark ("Inframark"); Jeremy Roach of Apollo IT Consulting ("Apollo"); and Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Safe entered the meeting after it was called to order, as noted herein.

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 July 3, 2024. After discussion, Director Handal moved that the minutes for said meetings be approved, as written. Director Battistini seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Desilets presented to and reviewed with the Board the Bookkeeper's Report prepared by Clarity Consulting Corporation ("Clarity") dated August 7, 2024, including an Investment

Report for the period July 1, 2024, through July 31, 2024, a copy of which is attached hereto as **Exhibit A**. Mr. Desilets next presented a draft budget for the District's fiscal year ending September 30, 2025, a copy of which is included in **Exhibit A**, and requested consultants and Board members review and provide comments prior to next month's Board meeting. Following discussion, it was moved by Director Eynon that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, and (ii) the Investment Report for July 2024 be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Handal seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending July 31, 2024, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Eynon, seconded by Director Battistini and unanimously carried, that the Tax Assessor-Collector Report be approved as presented and that the disbursements identified therein be approved for payment.

Director Haleem and Mr. Safe entered the meeting during the above discussion.

2024 TAX RATE RECOMMENDATION

Ms. Moran next presented the Board with a 2024 Debt Service Tax Rate Recommendation prepared by Masterson, a copy of which is attached hereto as **Exhibit C**, and reviewed Masterson's recommendation regarding the proposed 2024 debt service and maintenance tax rates. She advised that Masterson is recommending a proposed 2024 debt service tax rate of \$0.235. A discussion ensued regarding the District's levy of a 2024 maintenance tax. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 tax rate. Ms. Henderson advised that, pursuant to Section 49.236 of the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Ms. Henderson further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. She explained that the District must provide the notice by either (i) publishing it at least once in a newspaper having general circulation in the District at least seven (7) days before the date of the meeting at which the tax rate will be adopted, or (ii) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least ten (10) days before the date of the meeting. After discussion on the matter, Director Battistini moved that (i) the Board provide notice of its intent to levy a 2024 debt service tax rate of \$0.235 per \$100 of assessed valuation and a 2024 maintenance tax rate of \$0.10 per \$100 of assessed valuation, resulting in a combined 2024 tax rate of \$0.335 per \$100 of assessed valuation, and (ii) Tax Tech be authorized to publish notice of the District's intention to adopt such 2024 tax rate at its next meeting in the form and at the time required by law. Director Eynon seconded said motion, which unanimously carried. The Board concurred that the notice should be published by Tax Tech in the *Katy Times* and posted on the District's website.

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 October.

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

Ms. Henderson presented a Monthly Contract Deputy Activity Report for the month of June 2024, regarding FBCCO, a copy of which is attached hereto as **Exhibit D**. It was noted that no action was required by the Board in connection with the FBCCO Report at this time.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated August 7, 2024, a copy of which is attached hereto as **Exhibit E**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. Mr. Safe next reported on the status of the District's facilities during and after Hurricane Beryl. He advised the Board that the District did not experience any service interruptions due to the storm. However, he went on to report that the utility pole supporting the overhead District power lines at the Joint Water Plant (the "JWP") fell during the storm, which resulted in the JWP running on emergency generator power until August 2, 2024. He advised the Board that, until full power was restored, the operator for Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") had a leased backup generator at the JWP as a precaution. Mr. Safe then provided an overview of the events which led to the damage to and/or loss of certain electrical power system components at the site, which components have now been replaced and/or repaired. Mr. Safe confirmed that No. 34's operator is in the process of filing an insurance claim for damaged JWP power system. After discussion, it was noted that no action was required by the Board in connection with the Engineer's Report at this time.

DETENTION AND DRAINAGE FACILITIES REPORT ("D&D REPORT")

Mr. Cosco next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated August 7, 2024, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit F**. Following the discussion, the Board concurred that no action was necessary regarding the matter at this time.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board next considered the status of the District's SWMP. Ms. Henderson noted that there were no updates at this time.

OPERATIONS REPORT

Ms. Mouton presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of June 2024, a copy of which is attached hereto as **Exhibit G**. Ms. Mouton reported to the Board that the District had approximately 94% water

accountability for the reporting period and discussed repairs made throughout the District. In connection therewith, Ms. Mouton advised the Board that a service line located in the vicinity of 5407 Barleycorn Lane was recently damaged by Umanzor Brothers, LLC ("Umanzor"), a subcontractor working within the District, and stated that Inframark will back charge Umanzor for the cost of repairs which totaled \$8,035.42. She then reviewed with the Board an inspection report from Landscape Images of Texas ("LIT"), relative to the District's park facilities. Ms. Mouton next presented one (1) delinquent account to be referred to collections in the amount of \$45.72.

Ms. Mouton next presented to and reviewed with the Board two (2) proposals prepared by LIT for the District's Family Park to (a) trim sixty-five (65) trees for the estimated total cost of \$7,275.00, and (b) mulch the rings around 120 trees for the estimated total cost of \$4,090.00. Copies of the proposals are attached to the Operations Report. After discussion, the Board concurred to defer the proposed tree project at the Family Park until February of next year but requested that Inframark coordinate with LIT to trim certain trees overhanging pedestrian walking paths in and around said park as soon as possible.

Ms. Mouton next addressed the Board concerning a pump controller located at Lift Station No. 1 ("LS No. 1"), which was recently irreversibly damaged by an electrical surge. In connection therewith, Ms. Mouton presented to and reviewed with the Board a proposal provided by Hahn Equipment Company, Inc., a copy of which is included in **Exhibit G**, in the total estimated amount of \$10,962 for replacement of said pump control equipment.

Ms. Mouton next presented to and reviewed with the Board a chart outlining the five (5) phases of the District's five-year (5-year) plan for its annual Sanitary Sewer Televising and Cleaning Project, a copy of which is included in **Exhibit G**, noting that the estimated total cost to clean and televise the 2024 phase of the project is \$49,213.50, and requested that the Board authorize Inframark to proceed with same.

Ms. Henderson then reported that Director Battistini approved a proposal circulated by Inframark after last month's meeting for cleanup of storm debris left at the District's parks in the wake of Hurricane Beryl for the approximate total cost of \$700 and requested that the Board ratify said action.

The Board next considered the proposed joint Fall Community Event (the "Joint Event") to be conducted in cooperation with No. 34. In that regard, Ms. Henderson reported that No. 34 considered the matter at its meeting held on July 23, 2024, and has agreed to participate in said event. Ms. Mouton advised that the proposed date for the Joint Event is October 12, 2024. Ms. Henderson then requested that the Board authorize SPH to prepare a Letter Agreement with No. 34 memorializing the terms by which each district agrees to fund fifty-percent (50%) of the total cost for planning and conducting the Joint Event.

After discussion, it was duly moved by Director Eynon, seconded by Director Battistini and unanimously carried, that: (i) Inframark be authorized to (a) refer the one (1) delinquent account to collections, as recommended by Inframark, (b) coordinate with LIT to trim certain trees at the District's Family Park, (c) proceed with replacement of the damage pump controller at LS No. 1, and (d) proceed with the annual Sanitary Sewer Televising and Cleaning Project for 2024, as detailed in the District's five-year (5-year) plan, all as discussed above and as recommended by Inframark; (ii) the prior approval of a proposal to cleanup storm debris at the

District's park sites be ratified in all respects; and (iii) SPH be authorized to prepare a letter agreement between the District and No. 34 memorializing the terms by which each district agrees to fund fifty-percent (50%) of the total cost for planning and conducting this year's Joint Event.

DISTRICT WEBSITE AND MASS NOTIFICATION MESSAGING MATTERS

The Board next considered the continued operation of the District's website and the continuing implementation of the District's mass notification system. In that regard, Mr. Roach presented to and reviewed with the Board an Analytics Report, a copy of which is attached hereto as **Exhibit H**. Director D Gupta requested that election information no longer required to be posted on the District's website be removed. She further requested that the Board consider sharing news items regarding current and future District projects and project updates. After discussion, the Board concurred to post notices regarding District activities and projects as they occur, with the District's Communications Committee to manage said postings. The Board noted that the first notices to be posted should provide information regarding the recently approved project to repair and repaint the District's fire hydrants and the annual Sanitary Sewer Televising and Cleaning Project for 2024 and requested that Inframark provide information relative to same to Apollo.

ATTORNEY'S REPORTS

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson reported that the District is in receipt of correspondence from Terry Laws of Percheron, LLC, on behalf of Atmos Energy Corporation, providing notice of a natural gas pipeline Direct Assessment Survey to be conducted on portions of the District's property beginning August 6, 2024. She advised the Board that SPH has forwarded said notice, attached hereto as **Exhibit I**, to the District's Operator and Engineer.

Ms. Henderson next advised the Board that the Board of Directors of Seven Meadows Community Association, Inc. ("Seven Meadows") plans to attend the District's next Board meeting on September 4, 2024, and reviewed Seven Meadows' suggested topics for a proposed presentation by the District for the benefit of Seven Meadows. Ms. Henderson further advised the Board that Seven Meadows recently provided notice that it wishes to amend the Maintenance Agreement by and between the District and Seven Meadows to (a) increase the District's annual contribution toward the maintenance costs for certain drainage tracts belonging to the District which are currently maintained by Seven Meadows, and (b) include an additional allowance for trimming trees located within said tracts. After discussion, the Board requested that (i) BGE and SPH prepare a brief presentation about the District for the September Board meeting, and (ii) BGE and Champions calculate a current cost estimate for basic maintenance of the District's drainage tracts described in said Maintenance Agreement.

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 for placement on future agendas. No other specific agenda items other than routine and ongoing matters, or those discussed above, were requested.

ADJOURNMENT OF MEETING

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



Secretary, Board of Directors



Table of Exhibits

Exhibit A	Bookkeeper's Report
Exhibit B	Tax Assessor-Collector's Report
Exhibit C	2024 Tax Rate Recommendation
Exhibit D	FBCCO Monthly Activity Report
Exhibit E	Engineer's Report
Exhibit F	Detention and Drainage Facilities Report
Exhibit G	Operations and Maintenance Report; Hahn Equipment Company proposal; Five-Year Sanitary Sewer Cleaning and Televising Plan – Phases and Proposal for 2024
Exhibit H	District Website and Messaging Analytics Report
Exhibit I	Correspondence from Percheron, LLC