

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

Minutes of Meeting of Board of Directors  
September 4, 2024

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

Also present were: Brian Desilets and Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Wendy Ramirez of Forvis Mazars, LLP ("Forvis"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jeff Safe of Brown & Gay Engineers, Inc. ("BGE"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Dawn Mouton of Inframark ("Inframark"); and Kate Henderson 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 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 August 7, 2024. After discussion, Director Handal moved that the minutes for said meetings be approved, as written. Director Battistini seconded said motion, which unanimously carried.

## **PRESENTATION REGARDING THE DISTRICT**

After noting that the Board of Directors of Seven Meadows Community Association, Inc. ("Seven Meadows") were not present at today's Board meeting, as previously scheduled, Ms. Henderson and Mr. Safe presented and reviewed with the Board a preview of the presentation prepared by SPH and BGE for the benefit of Seven Meadows, pursuant to the Board's request. After discussion, the Board requested that certain information regarding the District's Drought Contingency Plan be added to said presentation prior to providing it to the Seven Meadows Board of Directors at the October 2, 2024 Board meeting.

## **PROPOSED AMENDMENT TO MAINTENANCE AGREEMENT WITH SEVEN MEADOWS**

The Board deferred consideration of Seven Meadows' request to amend the Maintenance Agreement between the District and Seven Meadows relative to a proposed increase in the District's annual contribution toward the maintenance costs for certain drainage tracts belonging to the District which are currently maintained by Seven Meadows until its October Board meeting.

## **BOOKKEEPER'S REPORT**

Mr. Gonzalez presented to and reviewed with the Board the Bookkeeper's Report prepared by Clarity Consulting Corporation ("Clarity") dated September 4, 2024, including an Investment Report for the period August 1, 2024, through August 31, 2024, a copy of which is attached hereto as **Exhibit A**. Mr. Gonzalez noted in particular check nos. 10630 through 10632, each in the amount of \$13,016.43, payable to Seven Meadows for the District's portion of security expenses for the months of July, August and September 2024 pursuant to the Joint Funding Agreement for Law Enforcement Services by and among the District, Fort Bend County Municipal Utility District

No. 34, of Fort Bend County, Texas ("No. 34") and Seven Meadows. Following discussion, it was moved by Director Haleem that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, and (ii) the Investment Report for August 2024 be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Eynon seconded said motion, which unanimously carried.

### **OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025**

Mr. Gonzalez next presented to and reviewed with the Board a proposed budget for the District's fiscal year ending September 30, 2025, regarding the District's general operating account . Upon consideration, the Board requested that (i) Revenue line item no. 14350 (Maintenance Tax Collections) be reduced to \$1,150,000, (ii) \$15,000 be moved from 16600 (Payroll Expenses) to line item no. 16310 (Director Fees), and Expenditure line item no. 16570 (Security Expenses) be increased to \$165,000. After discussion, Director Eynon moved that the District's proposed operating budget for fiscal year ending September 30, 2025, be approved, as revised. Director Haleem seconded said motion, which unanimously carried. A copy of the adopted budget is attached hereto as **Exhibit B**.

### **ENGAGEMENT OF AUDITOR**

The Board considered the engagement of an auditing firm to prepare the District's audit report for the fiscal year ending September 30, 2024. In connection therewith, Ms. Ramirez presented and reviewed with the Board a proposed engagement letter with Forvis for the audit of the District's financial statements. She stated that the estimated cost to prepare the District's audit report is \$22,800, plus an administrative fee of \$1,000 to cover items such as report production, copies, postage and other delivery charges, and technology related expenses. After discussion on the matter, Director Battistini moved that (i) Forvis be engaged to prepare the District's audit report for the fiscal year ending September 30, 2024, in accordance with the terms of the engagement letter attached hereto as **Exhibit C**, (ii) that the President be authorized to execute same on behalf of the Board and District, and (iii) the Texas Ethics Commission ("TEC") Form 1295 from Forvis be accepted. Director Handal seconded said motion, which carried unanimously.

## **TAX ASSESSOR-COLLECTOR REPORT**

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

## **PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 TAX RATE**

The Board conducted a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2024. After noting that no members of the public appeared to address the Board concerning said matter, the public hearing was closed.

## **CONSIDER LEVY OF THE DISTRICT'S 2024 TAX RATE**

The Board then discussed the levying of the 2024 tax rate. Ms. Flores confirmed that notice had been published in *The Katy Times* newspaper, a copy of which notice is attached hereto as **Exhibit E**, in accordance with all legal requirements and as directed at the previous meeting. After discussion on the matter, Director Eynon moved that: (i) the Board adopt the tax rate as proposed at the District's August 7, 2024, meeting and as reflected in the notice, being 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 total 2024 tax rate of \$0.335 per \$100 of assessed valuation; (ii) the Order Levying Taxes attached hereto as **Exhibit F** be adopted in connection therewith; and (iii) the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Haleem seconded said motion, which carried unanimously.

## **AMENDMENT TO DISTRICT INFORMATION FORM**

Ms. Henderson presented to and discussed with the Board an Amendment to the Fourth Amended and Restated District Information Form ("DIF") relative to the District's 2024 tax rate. After discussion regarding the amendment to the DIF, Director Handal moved that (i) the DIF be approved, and (ii) the Board members present be authorized to execute same on behalf of the Board and the District. Director D. Gupta seconded said motion, which carried unanimously.

**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 Monthly Contract Deputy Activity Reports for the months of July and August 2024, regarding FBCCO, copies of which are attached hereto as **Exhibit G**. It was noted that no action was required by the Board in connection with the FBCCO Reports at this time.

**ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated September 4, 2024, a copy of which is attached hereto as **Exhibit H**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, it was moved by Director Handal that the Engineer's Report and all action items listed therein be approved including approval of a Pay Estimate from Champions in the amount of \$60,735.75 in connection with the Little Prong Creek ("LPC") at Gaston Road Side Slope Repairs. Director Battistini seconded said motion, which unanimously carried.

**EPA, LEAD AND COPPER RULE REVISION REQUIRED SERVICE LINE INVENTORY STATEMENT**

Mr. Safe advised the Board that the District has no lead service lines or galvanized service lines requiring replacement and will be submitted to the Texas Commission on Environmental Quality. The District reached this determination because its water distribution system was installed after 1988, the year that Texas implemented the Safe Drinking Water Act banning the use of lead for any public water lines. Additionally, the District has found no evidence of the use of lead service lines (i) in the system records, including distribution system maps and drawings, historical records, meter installation records, inspections and records of the distribution

system that indicate the material composition, or (ii) when reading water meters or performing maintenance activities in the course of normal system operations.

### **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 September 4, 2024, prepared by Champions, for LPC and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. 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 July 2024, a copy of which is attached hereto as **Exhibit J**. Ms. Mouton reported to the Board that the District had approximately 98% 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. She next presented three (3) delinquent account to be referred to collections in the total amount of \$387.00. Ms. Mouton then advised the Board of the results of the Fifth Unregulated Contaminant Monitoring Rule ("UCMR-5") samples required by the United States Environmental Protection Agency and taken on April 15, 2024, a copy of which is included with **Exhibit J**.

With regard to the District's joint community event to be conducted at the District's Family Park in cooperation with No. 34, Ms. Mouton presented a flyer prepared by Inframark, a copy of which is attached to the O&M Report, advertising the event scheduled for October 12, 2024, for the Board's review and requested authorization to distribute said flyer to District customers. After discussion the Board concurred to authorize Inframark to distribute same to District customers and to add the flyer to the District's website.

After discussion, it was duly moved by Director Handal, seconded by Director D. Gupta and unanimously carried, that Inframark be authorized to: (i) refer three (3) delinquent account to collections, as discussed above and as recommended by Inframark; and (ii) conduct storm debris cleanup in and around District property following severe weather events for an amount not to exceed \$2,500.

### **LETTER AGREEMENT WITH NO. 34 RELATIVE TO JOINT FALL COMMUNITY EVENT**

The Board next considered approval of 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 Fall Community Event, a copy of which is attached hereto as **Exhibit K**. After discussion, Director Handal moved that the Board approve said Letter Agreement. Director Haleem seconded said motion, which unanimously carried.

### **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, Ms. Henderson inquired whether the Board wishes to include information regarding the District's garbage and recycling schedule, as well as contact information for Best Trash, the District's solid waste collection and disposal and recycling service provider, on the District's website. Upon discussion, the Board concurred that such information be posted to the District's website and requested that SPH coordinate same.

### **ATTORNEY'S REPORTS**

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson presented to and reviewed with the Board the Annual Maintenance for Arbitrage Analysis Report by Municipal Risk Management Group, LLC relative to the District's outstanding bonds, a copy of which is attached hereto as **Exhibit L**. In connection therewith, Ms. Henderson presented to and reviewed with the Board an engagement letter from Arbitrage Compliance Specialists, Inc. ("ACS"), a copy of which is included with **Exhibit L**, for preparation of arbitrage compliance computations as required by the Internal Revenue Service. Ms. Henderson advised the Board that

the engagement letter addresses the preparation of a 10<sup>th</sup> Year Arbitrage Rebate Report for the District's \$16,385,000 Unlimited Tax Refunding Bonds, Series 2015 and an interim Arbitrage Rebate Report for the District's \$2,945,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Engagement Letter"). She noted that the fee associated with the preparation of said reports is estimated to be \$5,525.00 and that ACS has provided a TEC Form 1295 for the Engagement Letter to SPH. After discussion of the matter, Director Haleem moved that (i) ACS be engaged to prepare the Arbitrage Rebate Reports discussed above in accordance with the ACS Engagement Letter, (ii) the President be authorized to execute the ACS Engagement Letter on behalf of the Board and District, and (iii) SPH be authorized to acknowledge the TEC 1295 received in connection with same. Director Battistini seconded said motion, which unanimously carried.

Ms. Henderson next advised the Board that SPH has received notice of a material event filing from McCall, Parkhurst & Horton, L.L.P., the District's Disclosure Counsel, relative to the merger of Assured Guaranty Municipal Corp., the District's insurer on several of its bond issues, with Assured Guaranty Inc., effective August 1, 2024. She noted that there was no Board action required in connection therewith.

Ms. Henderson next reported that the District is in receipt of correspondence from Fort Bend County (the "County") Engineering, dated August 16, 2024, a copy of which is attached hereto as **Exhibit M**, regarding a required update to the District's Flood Damage Prevention Order and the regulations reflected therein pursuant to the Interlocal Agreement between the County and the District, evidencing the transfer from the District to the County of floodplain administration and permitting duties. She advised the Board that SPH and BGE are investigating to determine how to proceed.

Ms. Henderson then advised the Board that they would discuss PFAS-related class action litigation and settlement in Closed Session.

### **CLOSED SESSION**

The President announced at 2:49 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Section 551.071. Those in attendance, with the exception of the Board, Ms. Mouton, Ms. Henderson and Ms. Walsh, exited at this time.



**RECONVENE IN REGULAR SESSION**

The Board reconvened in Regular Session at 3:03 p.m. After discussion, the Board concurred not to take action regarding the Tyco and BASF Class Action Settlement 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 Eynon moved that the meeting be adjourned. Director D. Gupta seconded said motion, which unanimously carried.



Secretary, Board of Directors

## Table of Exhibits

Exhibit A:	Bookkeeper's Report
Exhibit B:	Operating Budget for fiscal year ending September 30, 2025
Exhibit C:	Engagement Letter – Forvis Mazars, LLP
Exhibit D:	Tax Assessor-Collector's Report
Exhibit E:	Water District Notice – 2024 Tax Rate Affidavit of Publication
Exhibit F:	Order Levying Taxes
Exhibit G:	FBCCO Monthly Activity Reports
Exhibit H:	Engineer's Report
Exhibit I:	Detention and Drainage Facilities Report
Exhibit J:	Operations and Maintenance Report
Exhibit K:	Letter Agreement with No. 34 – Joint Fall Community Event
Exhibit L:	Arbitrage Annual Maintenance Report; ACS Engagement Letter
Exhibit M:	Fort Bend County Engineering Correspondence regarding Requirement to Update Flood Damage Prevention Regulations