

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

Minutes of Meeting of Board of Directors
October 2, 2024

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("District"), met on October 2, 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 later in the meeting as noted herein.

Also present were: Eric Gonzalez of Clarity Consulting Corporation ("Clarity"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Avik Bonnerjee of B&A Municipal Tax Service, LLC ("B&A"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"); David Beyer of Storm Water Solutions, LLC ("SWS"); 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 MyMy Pham 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 September 4, 2024. After discussion, Director Battistini moved that the minutes for said meetings be approved, as written. Director Gupta seconded said motion, which unanimously carried.

SALES AND USE TAX AUDIT REPORT FROM B&A

Mr. Bonnerjee presented to and reviewed with the Board the Sales and Use Tax Audit Report prepared by B&A, a copy of which is attached hereto as **Exhibit A**. After discussion, the Board noted that no action was required on its part in connection with the Sales and Use Tax Audit Report at this time.

Director Shah entered the meeting during the above presentation. Mr. Bonnerjee exited the meeting following his report.

PRESENTATION REGARDING THE DISTRICT

Ms. Henderson advised the Board that Mr. Contreras, a member of the Board of Directors of Seven Meadows Community Association, Inc. ("Seven Meadows"), informed her that the Seven Meadows Board of Directors requested to reschedule the presentation until after Seven Meadows has its Board of Directors election. After discussion, the Board concurred to remove this item from the agenda until Seven Meadows makes another request.

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, and requested this item be removed from future agendas until Seven Meadows makes another request.

BOOKKEEPER'S REPORT

Mr. Gonzalez presented to and reviewed with the Board the Bookkeeper's Report prepared

by Clarity dated October 2, 2024, including an Investment Report for the period September 1, 2024, through September 30, 2024, a copy of which is attached hereto as **Exhibit B**. Mr. Gonzalez noted check nos. 10669 through 10671, each in the amount of \$13,016.43, payable to Seven Meadows for the District's portion of security expenses for the months of March, April and May of 2024 and check no. 10683 in the amount of \$13,827.05, payable to Seven Meadows for the District's portion of security expenses for the new term beginning October 1, 2024. Following discussion, it was moved by Director Battistini that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment and (ii) the Investment Report for September 2024 be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and District. Director Eynon seconded said motion, which unanimously carried.

COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING

The Board next considered the status of the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting. In connection therewith, Ms. Henderson advised the Board that, pursuant to the energy efficiency and reporting requirements set forth in Texas Government Code, Chapter 2265, the District must prepare an annual report of its metered usage of electricity and the aggregate costs for same. In connection therewith, Mr. Gonzalez presented to and reviewed with the Board an Electricity Consumption Report, a copy of which is included with **Exhibit B**. Ms. Henderson advised that said report satisfies the statutory reporting requirements and no further action is required by the Board.

REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") and the adoption of a Resolution in connection therewith. Ms. Henderson advised the Board that SPH is not recommending any changes to the Investment Policy. Ms. Henderson then presented for the Board's review a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), a copy of which is attached hereto as **Exhibit C**, reflecting no amendments. After discussion on the matter, it was moved by

Director Battistini, seconded by Director Haleem, and unanimously carried that the Board adopt the Resolution, and the President and Secretary be authorized to execute the Resolution on behalf of the Board and the District.

RATIFY PRIOR APPROVAL OF ENGAGEMENT LETTER WITH ARBITRAGE COMPLIANCE SPECIALISTS, INC. ("ACS")

The Board then considered ratifying its prior approval of an engagement letter from ACS to prepare a 10th Year Arbitrage Rebate Report for the Series 2015 Refunding Bonds and Interim Arbitrage Rebate Report for the Series 2021 Refunding Bonds. After discussion, Director Battistini moved to ratify the Board's prior approval of the engagement letter in all respects. Director Haleem seconded the motion, which unanimously carried.

ACCLAIM ENERGY MANAGEMENT AGREEMENT

Mr. Oakley next addressed the Board regarding a proposed Energy Management Agreement between the District and Acclaim for consulting services with respect to procurement of energy supply management, as well as other additional energy related to services as outlined in the proposed Agreement. After discussion, it was moved by Director Battistini that the Board (i) approve the Agreement between the District and Acclaim and (ii) accept the TEC Form 1295 submitted by Acclaim in connection therewith. Director Haleem seconded the motion which unanimously carried. A copy of the Agreement is attached hereto as **Exhibit D**.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Flores presented to and reviewed with the Board the Tax Assessor-Collector Report for the month ending September 30, 2024, a copy of which is attached hereto as **Exhibit E**. Following discussion, it was moved by Director Haleem, seconded by Director Handal 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

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated

October 2, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collections attorney. A copy of said report is attached hereto as **Exhibit F**. Ms. Henderson advised that no action is required by the Board at this time.

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

Ms. Henderson presented Monthly Contract Deputy Activity Reports for the month of September 2024, regarding FBCCO, a copy of which is attached hereto as **Exhibit G**. Following discussion, the Board requested SPH obtain from FBCCO the schedule for and names of the deputies patrolling the District.

INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

The Board next considered renewal of the Interlocal Agreement for Law Enforcement Services by and between the District, Fort Bend County (the "County"), Seven Meadows, and Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("No. 34") for the October 1, 2024, through September 30, 2025 term (the "Interlocal Agreement"). In connection therewith, Ms. Henderson advised the Board that SPH reviewed the Interlocal Agreement and had no comments to same. After discussion, it was moved by Director Battistini, seconded by Director Handal and unanimously carried, that the Interlocal Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated October 2, 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 Battistini that the Engineer's Report and all action items listed therein be approved, including concurrence in No. 34's approval of Pay Estimate No. 7 from McDonald Municipal and Industrial in the amount of \$27,000.00 in connection with the installation of the permanent emergency generator at the remote well site, and payment of \$10,000 in connection with the riprap for the repair of a portion of ShoreSox Erosion Repair System at Little Prong Creek ("LPC"). Director Handal seconded said motion, which unanimously carried.

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 October 2, 2024, prepared by Champions, for LPC and corresponding photographs, a copy of which is attached hereto as **Exhibit I**. Ms. Cosco noted a sinkhole on page 5 of the D&D Report, and informed the Board the sinkhole was the Meadowbrook Farms Golf Course's responsibility. Following discussion, Director Eynon moved to authorized Champions to repair the sinkhole at a cost not to exceed \$500. Director Handal seconded the motion, which unanimously carried.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board next considered the status of the District's SWMP. Mr. Beyer presented to and reviewed with the Board a handout, attached hereto as **Exhibit J**, detailing the District's proposed public training measures and permit goals for Year 5 Extension of the District's SWMP in connection with the District's TPDES Phase II MS4 General Permit (the "General Permit").

Mr. Beyer next discussed the renewal of the General Permit and permitting obligations under same. In connection therewith, Mr. Beyer presented to and reviewed with the Board a proposal from SWS for professional services to assist the District in obtaining permit coverage under the General Permit, including development of an updated storm water management plan and implementation of same. A copy of such proposal is attached hereto as **Exhibit J**. Following discussion, Director Battistini moved to approve the proposal for professional services to assist the District in obtaining permit coverage under the General Permit, including development of an updated storm water management plan and implementation of same. Director Haleem seconded said motion, which unanimously carried.

OPERATIONS REPORT

Ms. Mouton presented to and reviewed with the Board the Operations and Maintenance Report ("O&M Report") for the month of August 2024, a copy of which is attached hereto as **Exhibit K**. Ms. Mouton reported to the Board that the District had approximately 96% water

accountability for the reporting period. She then discussed water quality concerns noted by customers of the District, and advised that the issues are due to surface water the District receives from North Fort Bend Water Authority, which receives its water from the City of Houston. Following discussion, the Board concurred for Inframark to draft language regarding the water quality concerns for posting on the District's website. Ms. Mouton then informed the Board of a main line break at 23022 Catalina Harbor Court that was discovered and repaired. She advised the Board that the customers affected were notified. She next presented one (1) delinquent account to be referred to collections in the amount of \$550.20.

Ms. Mouton advised the Board of the Water Wise Fest scheduled for November 3, 2024, to be hosted by surrounding municipal utility districts and presented a flyer regarding same, a copy of which is attached to the O&M Report. She then queried whether the District would be amenable to participating in same and requested authorization to distribute said flyer to District customers. After discussion, the Board concurred to add the flyer to the District's website.

After discussion, it was duly moved by Director Handal, seconded by Director Eynon and unanimously carried, that Inframark be authorized to refer one (1) delinquent account to collections, as discussed above and as recommended by Inframark.

DISTRICT WEBSITE AND MASS NOTIFICIATION MESSAGING MATTERS

The Board deferred consideration of the continued operation of the District's website its mass notification system.

ATTORNEY'S REPORTS

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson presented to the Board a flyer regarding Acclaim's Utility Scale Microgrid Pilot Program, a copy of which is attached hereto as **Exhibit L**. Ms. Henderson informed the Board that if they would like more information, Acclaim would send someone to a future Board meeting to further discuss the program. After discussion, the Board determined it was not interested at this time.

CLOSED SESSION

Ms. Henderson advised the Board that it would not be necessary for the Board to convene in closed session.

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

Secretary, Board of Directors

Table of Exhibits

- Exhibit A: Sales and Use Tax Audit Report
- Exhibit B: Bookkeeper's Report
- Exhibit C: Resolution Regarding Investment of District Funds and Appointing Investment Officer
- Exhibit D: Acclaim Energy Management Agreement
- Exhibit E: Tax Assessor-Collector's Report
- Exhibit F: Delinquent Tax Report
- Exhibit G: FBCCO Monthly Activity Reports
- Exhibit H: Engineer's Report
- Exhibit I: Detention and Drainage Facilities Report
- Exhibit J: Storm Water Management Plan Training Summary and Permit Goals; SWS Proposal for Professional Services
- Exhibit K: Operations and Maintenance Report
- Exhibit L: Microgrid Pilot Program