

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 34,
OF FORT BEND COUNTY, TEXAS**

Minutes of Meeting of Board of Directors

November 23, 2021

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("District") met at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas 77056, on November 23, 2021, 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 of Directors, as follows:

Billy E. Haehnel, President
James Marken, Vice-President
Jose Torres, Secretary
Craig A. Hajovsky, Assistant Secretary
Sean Piper, Assistant Secretary

and all of said persons were present, except Directors Piper and Torres, thus constituting a quorum.

Also present were: Kristen Scott of Bob Leared Interests ("BLI"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MAC"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"), who entered later in the meeting, as noted herein; Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Jeff Safe of BGE, Inc. ("BGE"); 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. The Board deferred consideration of comments from the public as no comments were offered.

APPROVE MINUTES

The Board considered approval of the minutes of its meeting held on October 26, 2021. After discussion, Director Marken moved that the minutes for said meetings be approved, as written. Director Hajovsky seconded said motion, which unanimously carried.

AUTHORIZE DISBURSEMENT OF PROCEEDS FROM THE DISTRICT'S \$5,285,000 UNLIMITED TAX BONDS, SERIES 2021 (THE "SERIES 2021 BONDS")

With regard to the disbursement of funds to TRI Pointe Homes Texas, Inc. ("TRI Pointe") from the District's Series 2021 Bonds, Ms. Henderson reminded the Board that it had previously resolved to pay TRI Pointe fifty percent (50%) of the amount specified in the Audit Report prepared by BKD, LLP and approved by the Board at its meeting held on October 26, 2021, with the balance to be paid to TRI Pointe in accordance with terms of the Utility

Development Agreement with TRI Pointe. In that regard, Ms. Henderson noted that TRI Pointe has returned the executed original Receipt and Indemnity prepared by SPH which references the retained bond proceeds in connection with the partial receipt of funds from the District by TRI Pointe. After discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that fifty percent (50%) of the amount specified in the Audit Report be disbursed to TRI Pointe as discussed above.

BOOKKEEPER'S REPORT

The Board next considered the Bookkeeper's Report. In connection therewith, Mr. Patel presented to and reviewed with the Board the Bookkeeper's Report dated November 23, 2021, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Hajovsky moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, except for check nos. 10037 and 10038, which were voided. Director Marken seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report dated October 31, 2021, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Hajovsky moved that the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment. Director Marken seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Ms. Henderson reported that there was no Delinquent Tax Report 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 January.

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.

COMMUNICATIONS REPORT

Ms. Henderson next presented to and reviewed with the Board a Communications Meeting Report prepared by Touchstone District Services dated November 23, 2021, a copy of which is attached hereto as **Exhibit C**, regarding the District's customer messaging system. The Board noted that no action was required in connection with the Communications Meeting Report at this time.

RECEIVE FORT BEND COUNTY CONSTABLE'S OFFICE PRECINCT 3 ("FBCCO") ACTIVITY REPORTS

Ms. Henderson presented to and reviewed with the Board the FBCCO Activity Report for the month of October 2021, a copy of which is attached hereto as **Exhibit D**. Following discussion, the Board noted there were no action items in the report.

INTERLOCAL AGREEMENT FOR ADDITIONAL LAW ENFORCEMENT SERVICES

The Board deferred consideration of the proposed 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. 35, of Fort Bend County, Texas ("No. 35") for the 2021 – 2022 term (the "Agreement"), noting that the proposed renewal Agreement has not yet been received from the County.

STATUS OF INSTALLATION OF WARNING SIGNS

The Board next considered the status of installation of warning signs by certain bodies of water within the District. After noting that said signs have been fabricated and installed, the Board requested that the item be removed from the agenda going forward.

DEVELOPER REPORTS

The Board next considered the developers' reports. In connection therewith, Mr. Safe addressed the Board regarding the status of development of The Haven at Seven Lakes by TRI Pointe.

OPERATIONS AND MAINTENANCE REPORT

Mr. Arrant presented to and reviewed with the Board the Monthly Operations Report ("O&M Report"), a copy of which is attached hereto as **Exhibit E**, for October 2021 prepared by MOC. In connection therewith, he reported that the District had 95% water accountability for the reporting period. Mr. Arrant then reported that, in consultation with Director Haehnel, MOC recommends that the District not move forward with the proposed installation of sixty feet (60') of gutter and four (4) down spouts on the existing pavilion at the District's Splash Pad site due to the way the pavilion was built and advised that MOC will look into other alternatives. The Board concurred with MOC's recommendation to not install the gutters or down spouts.

Mr. Schroeder entered the meeting during the above discussion.

Mr. Arrant next presented to and reviewed with the Board a proposal prepared by Source Point Solutions, LLC ("Source Point"), a copy of which is included in **Exhibit E**, to clean and perform a sanitary sewer televising inspection of the District's facilities identified in Schedule A (Year 1 of 5) of the District's five-year Sanitary Sewer Televising Inspection Schedule for the estimated total amount of \$66,338.85. A lengthy discussion ensued regarding the extent to which Source Point would inspect and evaluate the District's manholes while performing the Sanitary Sewer Televising project and whether such manhole inspections would best be performed independently by MOC in order to more fully evaluate the District's sanitary sewer system for purposes of generating a five-year Capital Improvement Plan.

Mr. Arrant next advised the Board that a claim has been filed with the District's insurer in connection with a transfer switch at the Water Plant which was damaged during a recent storm. A photograph of the damaged transfer switch is included in **Exhibit E**.

After discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that the Board accept Source Point's proposal, as discussed above, with MOC to perform an independent inspection of the manholes located within the portion of the District's sanitary sewer system described in Schedule A (Year 1 of 5) of the Sanitary Sewer Televising Inspection Schedule.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") LARRY'S TOOLBOX PROGRAM 2021 REPORT AND 2022 ENROLLMENT

Mr. Arrant next discussed with the Board the status of the District's participation in the 2021 Larry's Toolbox Program (the "2021 Program"). He advised that he expects the District to obtain the remainder of the 9 points required prior to the December 31, 2021 deadline. With regard to the District's participation in the 2022 Larry's Toolbox Program (the "2022 Program"), Ms. Henderson reported that the enrollment forms for the 2022 Program have not yet been finalized by the North Fort Bend Water Authority's ("NFBWA"), as it is currently in the process of overhauling and simplifying the program. With regard thereto, she advised the Board that the deadline to enroll in the 2022 Program has been extended to March 2022.

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. After discussion, Director Hajovsky moved that: (i) the District's Rate Order be amended to increase the NFBWA Surface Water Fee from \$4.60 per 1,000 gallons of water received to \$4.90 per 1,000 gallons of water received effective January 1, 2022; (ii) any and all Rate Orders heretofore adopted be revoked; and (iii) the Rate Order, a copy of which is attached hereto as **Exhibit F**, be passed and adopted. Director Marken seconded said motion, which unanimously carried. The Board requested that SPH send a letter from the Board to the District's residents detailing the increase in NFBWA fees and noting past decreases in District taxes.

CHAMPIONS REPORT – MAINTENANCE OPERATIONS AT LITTLE PRONG CREEK

Mr. Schroeder next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated November 23, 2021, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. In connection therewith, he advised the Board that Champions has completed the construction of Little Prong Creek Slope Repairs – Areas "A" and "B". Mr. Schroeder next presented two proposals prepared by Champions relative to areas of erosion located near the golf cart crossing, copies of which are included with **Exhibit G**, for Little Prong Creek Slope Repairs North (the "North Project"), in the total estimated amount of \$46,208, and Little Prong Creek Slope Repairs South (the "South Project"), in the total estimated amount of \$41,920. After discussion, Director Marken moved that BGE be authorized to solicit two (2) additional bids for each project, with the conventional repair method as the base bid and the ShoreSOX repair method as an alternate bid item. Director Hajovsky seconded the motion, which unanimously carried.

NFBWA EFFLUENT REUSE PROJECT

The Board next considered the District's proposed participation in the NFBWA effluent reuse program. In connection therewith, Ms. Henderson reported that the NFBWA is currently preparing a proposal for consideration by the Board.

ENGINEER'S REPORT

Ms. Safe presented to and reviewed with the Board a written Engineer's Report, dated November 23, 2021, 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 Marken, seconded by Director Hajovsky and unanimously carried, that of the Board approve Pay Request No. 4 and Final in the amount of \$19,542.00 from Double Oak Erosion, Inc. for construction of Little Prong Creek Slope Repair and Storm Outfall Replacement.

UTILITY COMMITMENT REQUESTS

The Board deferred action regarding utility commitments as no additional requests were made this month.

EMINENT DOMAIN REPORT

Ms. Henderson 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"). She 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 Hajovsky, seconded by Director Marken and unanimously carried, that the Board authorize SPH to file the annual eminent domain report with the Comptroller on behalf of the District.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson 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 hereto as **Exhibit I**.

APPROVAL OF EMERGENCY RESPONSE PLAN

Mr. Safe next addressed the Board regarding the America's Water Infrastructure Act of 2018 (the "AWIA"), as discussed at previous meetings. He advised that certification of completion of the District's Emergency Response Plan ("ERP") is due to be filed with the Environmental Protection Agency ("EPA") by December 31, 2021. He reminded the Board that it previously authorized BGE to prepare the District's ERP and advised that BGE has prepared the ERP. After discussion, Director Marken moved that BGE be authorized and directed to file the certificate of completion of the District's ERP with the EPA by the applicable deadline, in

compliance with the AWIA. Director Hajovsky seconded the motion, which unanimously carried.

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. After consideration, no specific items other than routine and ongoing matters and those items already discussed above were requested.

ADJOURNMENT OF MEETING

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




Secretary, Board of Directors

TABLE OF EXHIBITS

November 23, 2021

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: Communications Meeting Report
- Exhibit D: Monthly Contract Deputy Report
- Exhibit E: Monthly Operations Report; Source Point proposal for Sanitary Sewer Televising Project, Schedule A (Year 1 of 5); photograph of damaged transfer switch
- Exhibit F: Amended Rate Order
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Engineer's Report
- Exhibit I: Masterson Advisors, LLC – MSRB Rule G-10 Annual Disclosure