

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

Minutes of Meeting of Board of Directors

March 22, 2022

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 March 22, 2022, 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, thus constituting a quorum.

Also present were: Kristen Scott of Bob Leared Interests ("BLI"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Bernita Armstrong of Principal Management Group of Houston ("PMI"), Community Manager for Seven Meadows Community Association, Inc. ("Seven Meadows"); Daniel Gillham of TRI Pointe Homes ("TRI Pointe"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Jeff Safe of BGE, Inc. ("BGE"); Steven Galvin of Earthcare Management ("Earthcare"); Margaret Loos-Polk, Member of the Board of Directors of Hickory Creek Homeowners Association ("Hickory Creek"); 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. Ms. Loos-Polk addressed the Board at this time regarding certain drainage issues and areas of damaged pavement within Hickory Creek.

Mr. Galvin next addressed the Board on behalf of Seven Meadows. He advised that Earthcare, the landscape management contractor for Seven Meadows, has recently begun installing pressure regulators on Seven Meadows' irrigation system, as recommended by Water Logic following the irrigation system evaluation it conducted within Seven Meadows in connection with the District's participation in the 2021 Larry's Toolbox Program Homeowners Association/Golf Course Irrigation System Evaluation and Water Budget Initiative. Mr. Galvin stated that, to date, Earthcare has installed 37 pressure regulators within Seven Meadows at \$95 apiece. He noted that Seven Meadows plans to install approximately 50 more pressure

regulators and advised that Seven Meadows is requesting that the District consider reimbursing it for the cost of installation of all 87 pressure regulators at an approximate total cost of \$8,265. After discussion, the Board requested that an item be included on the next agenda for the Board to consider the reimbursement request.

Mr. Galvin left the meeting at this time.

APPROVE MINUTES

The Board considered approval of the minutes of its meeting held on January 25, 2022. After discussion, Director Piper moved that the minutes for said meetings be approved, as written. Director Torres seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

The Board next considered the Bookkeeper's Report. In connection therewith, Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated March 22, 2022, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Marken moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment. Director Torres seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and MAC to prepare an Unclaimed Property Report as of March 1, 2022. After discussion, Director Piper moved that the District's Operator, Tax Assessor-Collector and Bookkeeper be authorized to research their records to determine whether or not there is any unclaimed property for the stated period and that MAC be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's consideration, approval and filing with the State Comptroller prior to July 1, 2022. Director Torres 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 Reports dated January 31, 2022, and February 28, 2022, copies of which are attached hereto as **Exhibit B**. After discussion, Director Torres 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 April.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report was filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel, on March 18, 2022, prior to the March 30, 2022 deadline.

CHAMPIONS REPORT – MAINTENANCE OPERATIONS AT LITTLE PRONG CREEK

Mr. Cosco next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated March 22, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit C**. After discussion, the Board noted that no action was required on its part in connection with the D&D Report 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.

COMMUNICATIONS REPORT

Ms. Henderson next presented to and reviewed with the Board a Communications Meeting Reports prepared by Touchstone District Services ("Touchstone") dated February 22, 2022 and March 22, 2022, copies of which are attached hereto as **Exhibit D**, regarding the District's customer messaging system. The Board requested that Mr. Gillham and TRI Pointe coordinate with Touchstone to add customers within The Haven at Seven Lakes neighborhood to the District's customer messaging system.

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

Ms. Armstrong presented to and reviewed with the Board the FBCCO Activity Report for the months of February 2022, a copy of which is attached hereto as **Exhibit E**. Following discussion, the Board noted there were no action items in the reports.

RATIFY APPROVAL OF 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. 35, of Fort Bend County, Texas ("No. 35") for the October 1, 2021 through September 30, 2022 term (the "Interlocal Agreement"). In connection therewith, Ms. Henderson advised the Board that SPH reviewed the Interlocal Agreement and had no comments to same, further noting that said Agreement was approved and executed by Seven Meadows in January and by No. 35 last month. She then requested that the Board ratify Director Marken's prior approval of same in order to meet the County's deadline for

consideration and approval by the Commissioner's Court . After discussion, it was moved by Director Piper, seconded by Director Torres and unanimously carried, that prior approval and execution of the Interlocal Agreement be ratified in all respects.

DEVELOPER REPORTS

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

Mr. Gillham left the meeting at this time.

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 F**, for February 2022 prepared by MOC. In connection therewith, he reported that the District had 93% water accountability for the reporting period. With regard to the scheduled Phase I cleaning and 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, Mr. Arrant reported that Source Point Solutions has been acquired by Pinnacle Pumping Services, LLC and, as a result, its price for performance of such services has increased.

Ms. Henderson next reported that Section 13.1396, Texas Water Code, requires public water suppliers, such as the District, to annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information related thereto. After discussion, Director Marken moved that MOC be authorized to make annual filings relative to critical load status on behalf of the District. Director Piper seconded the motion, which carried unanimously.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") 2022 WATER PROVIDER CONSERVATION PROGRAM ENROLLMENT

Mr. Arrant next discussed the District's participation in the NFBWA 2022 Water Provider Conservation Program (the "2022 Program"), which has replaced the Larry's Toolbox Program. In that regard, Mr. Arrant presented to and reviewed with the Board a flyer provided by the NFBWA detailing the 2022 Program's structure and initiatives and the 2022 Program Enrollment Form, copies of which are included with the O&M Report. He reported that Director Marken authorized MOC to prepare and submit the enrollment form on February 24, 2022, in order to meet the NFBWA's March 1, 2022 deadline for receipt of same. Mr. Arrant then discussed with the Board the initiatives that Inframark designated for the District's participation in the 2022 Program. He next advised the Board that one of the required initiatives involves the formation of a Rebate Committee which must include two of the District's Directors plus one member of the community, such as a homeowners association representative, designated to serve as a community liaison. After discussion, Director Hajovsky moved that: (i) Directors Piper and

Haehnel be appointed to serve on the 2022 Program Rebate Committee; (ii) Ms. Loos-Polk be designated to serve as the community liaison for said Committee; and (iii) Inframark's preparation and submittal of the enrollment form for the District's participation in the 2022 Program to the NFBWA be ratified in all respects. Director Torres seconded the motion, which carried unanimously.

AMENDED PROFESSIONAL SERVICES AGREEMENTS BETWEEN THE DISTRICT AND MOC

The Board considered approval of Second Amendments to each of three (3) Professional Service Agreements between the District and MOC for (a) Joint Wastewater Treatment Plant ("WWTP") Facility No. 1 and Lift Station, (b) Water Distribution, Sanitary Sewer Treatment at WWTP No. 2, Sewer Collection System and Customer Billing and Collection Services, and (c) Joint Water Treatment Plant and Remote Water Well (collectively, the "Amended PSA"), copies of which are attached hereto as **Exhibit G**. In connection therewith, Mr. Arrant presented to and reviewed with the Board rate schedules for each, comparing MOC's current and proposed rates, copies of which are included in **Exhibit G**. Ms. Henderson advised that Board that SPH previously reviewed the Amended PSA and provided comments to MOC relative to same. After discussion on the matter, it was moved by Director Hajovsky, seconded by Director Torres and unanimously carried, that (i) the Amended PSA be approved (ii) the President be authorized to execute same on behalf of the Board and the District, and (iii) SPH be authorized to acknowledge the associated Texas Ethics Commission Form 1295 provided by MOC.

Mr. Arrant noted that no amendment to the District's Rate Order will be required relative to the Amended PSA.

NFBWA EFFLUENT REUSE PROJECT

The Board deferred consideration of the District's proposed participation in the NFBWA effluent reuse program.

NFBWA WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

The Board next considered authorizing MOC to prepare and file the Annual Implementation Report regarding the District's Water Conservation Plan with the Texas Water Development Board and NFBWA. After discussion, Director Marken moved that MOC be authorized to prepare the Annual Implementation Report and file same with the Texas Water Development Board and NFBWA prior to the May 1, 2022, deadline. Director Piper seconded said motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated March 22, 2022, 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. Mr. Safe reported that Double Oak Erosion has completed the repair and/or rehabilitation of an approximate 300-foot portion of Little Prong Creek at Fry Road. Mr. Safe

next reported that BGE recently conducted a meeting between Directors Haehnel and Marken and Piero Battistini and Sergio Handal, members of the Board of Directors of No. 35, to discuss various matters related to the proposed purchase of a permanent emergency diesel generator to be installed at the joint Remote Well site (the "Remote Well Generator Project"), which discussion he summarized for the Board. Mr. Safe then presented to and reviewed with the Board a revised design proposal from BGE in the amount of \$35,000 in connection with the Remote Well Generator Project, a copy of which is included with the Engineer's Report, which, he noted, was approved by No. 35 at its Board meeting held on March 2, 2022. It was then moved by Director Marken, seconded by Director Torres and unanimously carried, that the revised design proposal from BGE for the Remote Well Generator Project be approved by the Board.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next considered the review of an annual survey of prevailing wage rate scales for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Henderson reported that SPH is recommending that the District continue to adopt the wage rate scales as determined by the United States Department of Labor ("DOL") for Fort Bend County (the "County"). After discussion on the matter, Director Hajovsky moved that the DOL wage rate scales for the County be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which Resolution is attached hereto as **Exhibit I**, be adopted by the Board. Director Marken seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR

Ms. Henderson advised the Board that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. She then presented to and reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2022 Tax Year, attached hereto as **Exhibit J**, determining that the District shall not be considered a Developed District. Following discussion, upon motion made by Director Hajovsky, seconded by Director Torres and unanimously carried, the attached Resolution was adopted by the Board.

REVIEW AND APPROVAL OF PROPOSAL FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed the District's insurance coverages scheduled to expire on March 31, 2022. In that regard, Ms. Henderson presented to and reviewed with the Board a renewal insurance proposal for the 2022-2023 policy term, which was received from the District's current insurance carrier, Arthur J. Gallagher & Co. ("AJG"). After discussion, Director Hajovsky moved that the Board accept the proposal from AJG for all policies as set forth in the proposal attached hereto as **Exhibit K**. Director Piper seconded the motion, which carried unanimously.

Ms. Armstrong left the meeting at this time.

UTILITY COMMITMENT REQUESTS

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

DISCUSSION REGARDING POTENTIAL SPECIAL MEETING SCHEDULE FOR NOVEMBER AND DECEMBER

The Board considered a potential special meeting schedule for November and December of this year. After discussion, the Board concurred that (i) the November meeting will be held on the regularly scheduled date of November 22, 2022, at 12:00 p.m., and that the December meeting be rescheduled for December 20, 2022, at 12:00 p.m..

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In that regard, Ms. Henderson advised the Board that that she had nothing further to report to the Board other than the items previously discussed.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 7, 2022. Ms. Henderson advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 22, 2022. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Ms. Henderson then presented to and reviewed with the Board the Order Declaring Candidates Elected, attached hereto as **Exhibit L**. After discussion, it was moved by Director Piper, seconded by Director Torres and unanimously carried, that the Order be adopted by the Board declaring Jim Marken, Jose Torres and Craig Hajovsky elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 7, 2022, be cancelled.

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 Hajovsky moved that the meeting be adjourned. Director Marken seconded said motion, which unanimously carried.

(SEAL)




Secretary, Board of Directors

TABLE OF EXHIBITS

March 22, 2022

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Reports
- Exhibit C: Detention and Drainage Facilities Report
- Exhibit D: Communications Meeting Reports
- Exhibit E: Monthly Contract Deputy Report
- Exhibit F: Monthly Operations Report
- Exhibit G: Amended PSA and MOC Rate Comparison Schedule
- Exhibit H: Engineer's Report
- Exhibit I: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit J: Resolution Concerning Developed District Status for 2022 Tax Year
- Exhibit K: Insurance Renewal Proposal from Arthur J. Gallagher & Co.
- Exhibit L: Order Declaring Candidates Elected