

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

Minutes of Meeting of Board of Directors

April 26, 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 April 26, 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: Christie Leighton of Best Trash, LLC ("Best Trash"); Kristen Scott of Bob Leared Interests ("BLI"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Erik Scott 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"); Keith Arrant and Roland Leal of Municipal Operations & Consulting, Inc. ("MOC"); Nate Jackson of BGE, Inc. ("BGE"); Steven Galvin of Earthcare Management ("Earthcare"); 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 March 22, 2022. After discussion, Director Hajovsky moved that the minutes for said meetings be approved, as written. Director Torres seconded said motion, which unanimously carried.

REVIEW OF ANNUAL CPI INCREASE FROM BEST TRASH

The Board considered the annual Consumer Price Index ("CPI") adjustment for garbage collection and recycling collection services for the District. In that regard, Ms. Leighton discussed with the Board correspondence from Best Trash, dated April 22, 2022, a copy of which

is attached hereto as **Exhibit A**, notifying the District of a CPI increase for garbage collection and recycling collection services for the District. Ms. Leighton noted that, due to the CPI increase for this year, the garbage and recycling collection fee will increase 4.650%, from \$19.34 to \$20.24 per connection per month, effective as of June 1, 2021. Ms. Henderson next inquired whether the Board desired to amend the District's Rate Order to address the CPI increase by Best Trash. After discussion, the Board concurred that an amendment to the District's Rate Order with respect to the monthly residential sanitary sewer service rate was not necessary at this time.

Ms. Leighton left the meeting at this time.

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 April 26, 2022, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Torres moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment. 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 March 31, 2022, a copy of which is attached hereto as **Exhibit C**. Ms. Scott advised the Board that the preliminary assessed value of the District for the 2022 tax year is \$568,663,241, which is an approximate 26% increase over the previous year. She noted that the preliminary assessed value does not include personal property or take into account reductions from protests. After discussion, Director Hajovsky moved that the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment. Director Torres seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated April 26, 2022, from Perdue, Brandon, Fielder, Collins, and Mott, L.L.P. ("Perdue"), the District's delinquent tax collections attorneys, a copy of which is attached hereto as **Exhibit D**. The Board noted that there were no action items contained in the report.

CHAMPIONS REPORT – MAINTENANCE OPERATIONS AT LITTLE PRONG CREEK

Mr. Scott next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated April 26, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit E**. 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 Report prepared by Touchstone District Services ("Touchstone") dated April 26, 2022, a copy of which is attached hereto as **Exhibit F**, regarding the District's customer messaging system. It was noted that no action was required by the Board in connection with the Communications Meeting Report at this time.

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 March 2022, a copy of which is attached hereto as **Exhibit G**. Following discussion, the Board noted there were no action items in the reports.

DEVELOPER REPORTS

The Board deferred consideration of Developer Reports, noting that no developer representative was present.

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 H**, for March 2022 prepared by MOC. In connection therewith, he reported that the District had 95% water accountability for the reporting period. He also presented a list of five (5) delinquent accounts to be moved to the uncollectible roll in the total amount of \$1,557.06. 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 MOC will coordinate with Touchstone and will hang door tags in the affected portion of the District to provide notice regarding the upcoming service interruption. Mr. Arrant next reported that Director Hajovsky noted certain pressure irregularities at the District's Splash Pad, which is now open and operating for the season. He advised that MOC will coordinate with Watts Pool Service to perform an inspection and provide recommendations for any necessary repairs.

Mr. Arrant next advised the Board that the Texas Commission on Environmental Quality ("TCEQ") recently performed an inspection of the District's Wastewater Treatment Plant. He reported that MOC has already addressed the issues noted by the TCEQ, with the exception of certain deficiencies associated with the clarifier, which MOC and BGE are working to resolve.

As the next order of business, the Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Arrant presented to the Board a report prepared by MOC, a copy of which is attached to the O&M Report, regarding the District's experience with identity theft during the prior year, current identity theft prevention methods, the types of accounts maintained by the District and the District's business

arrangements with other entities. Mr. Arrant advised that MOC has recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes to the Program were necessary at this time.

The Board considered authorizing MOC to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Ms. Henderson advised that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2022.

After discussion on the matter, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that MOC be authorized to: (i) move five (5) accounts totaling \$1,557.06 to the uncollectible roll, as reflected in the O&M Report; and (ii) prepare a draft CCR and SPH be authorized to review same for compliance with the TCEQ's regulatory requirements.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

The Board next considered the status of the Annual Implementation Report regarding the District's Water Conservation Plan (the "Implementation Report"). In connection therewith, Mr. Arrant reported that MOC will complete and file the Implementation Report with the Texas Water Development Board and the NFBWA prior to the May 1, 2022, deadline, as previously authorized by the Board.

NFBWA EFFLUENT REUSE PROJECT

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

ENGINEER'S REPORT

Mr. Jackson presented to and reviewed with the Board a written Engineer's Report, dated April 26, 2022, a copy of which is attached hereto as **Exhibit I**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, the Board noted that no action was required on its part in connection with the Engineer's Report at this time.

CONSIDER REQUEST FROM SEVEN MEADOWS

Mr. Galvin next addressed the Board on behalf of Seven Meadows regarding its request for reimbursement from the District for the cost of installation of 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. With regard thereto, Mr. Galvin presented to and reviewed with the Board an invoice issued to Seven Meadows by Earthcare in the amount of \$6,585 for the installation of sixty-nine (69) pressure regulators in the portion of Seven Meadows located within the District. A copy of said invoice is attached hereto as **Exhibit J**. After a lengthy discussion, Director Marken moved that the District deny Seven Meadows' request for

reimbursement. The motion failed due to the lack of a second. It was then moved by Director Hajovsky that (i) the District reimburse Seven Meadows for fifty-percent (50%) of the total cost of \$6,585 for installation of pressure regulators in the portion of Seven Meadows located within the District, as detailed in the invoice provided by Earthcare and (ii) SPH be authorized to prepare, and the President be authorized to execute, a letter agreement between the District and Seven Meadows memorializing the terms and conditions upon which such reimbursement is to be paid by the District to Seven Meadows. Director Piper seconded the motion and, with Directors Hajovsky, Haehnel, Torres and Piper voting "aye" and Director Marken voting "nay", the motion carried.

Mr. Galvin left the meeting at this time.

REVIEW OF ANNUAL ARBITRAGE MAINTENANCE REPORT

Ms. Henderson presented to and reviewed with the Board the Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC, dated April 18, 2022, relative to the District's outstanding bonds, a copy of which is attached hereto as **Exhibit K**. Ms. Henderson noted that there were no action items in the report.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY AND AUTHORIZING DELINQUENT TAX ATTORNEYS TO COLLECT DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Henderson advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 25, 2022. After further discussion, it was moved by Director Marken, seconded by Director Hajovsky, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, which is attached hereto as **Exhibit L**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2021 delinquent real property tax accounts on July 1, 2022, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

UTILITY COMMITMENT REQUESTS

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

ATTORNEY'S REPORT

The Board considered the Attorney's Report. The Board next considered the Attorney's Report. In connection therewith, Ms. Henderson provided the Board with printed materials from

a PowerPoint presentation provided by Acclaim Energy Advisors ("Acclaim") regarding the Acclaim Reliability Advantage program, as well as a proposed form of letter agreement relative to same, copies of which are attached hereto as **Exhibit M**. Ms. Henderson noted that Acclaim is seeking participation from a number of municipal utility districts with which they have an existing relationship in the Reliability Advantage Program at a cost of \$2,500 per district to interface with the Public Utility Commission to advocate on behalf of municipal utility districts relative to new rules and regulations proposed for adoption in connection with implementation of Senate Bill 3 from the 2021 Legislative Session, including encouraging the development of microgrids. To that end, Ms. Henderson advised that Acclaim is seeking to attend the Board's next meeting to discuss the Reliability Advantage Program in greater detail with the Board. Following discussion on the matter, the Board determined it was not interested in participating in the Reliability Advantage Program.

With the exception of the Board, Ms. Henderson and Ms. Walsh, all remaining attendees left the meeting at this time. A lengthy discussion ensued regarding the status of the District's contracts with certain consultants and various provisions contained therein. Following the discussion, the Board requested that an item be added to the next agenda to review and discuss the District's contracts with various consultants.

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. In connection therewith, the Board requested that an item regarding the proposed installation of smart meters within the District be added to the agenda for consideration at the next Board meeting.

ADJOURNMENT OF MEETING

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




Assistant Secretary, Board of Directors

TABLE OF EXHIBITS

April 26, 2022

- Exhibit A: Correspondence from Best Trash
- Exhibit B: Bookkeeper's Report
- Exhibit C: Tax Assessor-Collector Reports
- Exhibit D: Delinquent Tax Report
- Exhibit E: Detention and Drainage Facilities Report
- Exhibit F: Communications Meeting Report
- Exhibit G: Monthly Contract Deputy Report
- Exhibit H: Monthly Operations Report
- Exhibit I: Engineer's Report
- Exhibit J: Invoice from Earthcare for installation of 69 pressure regulators within Seven Meadows
- Exhibit K: Annual Maintenance for Arbitrage Analysis Report
- Exhibit L: Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
- Exhibit M: Acclaim PowerPoint Presentation