

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

Minutes of Meeting of Board of Directors

May 24, 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 May 24, 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, except Directors Torres and Piper, thus constituting a quorum.

Also present were: Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Kristen Scott of Bob Leared Interests ("BLI"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Tim Cleary of TRI Pointe Homes ("TRI Pointe"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Jeff Safe of BGE, Inc. ("BGE"); and Bryan Yeates, Kate Henderson and Melanie Walsh of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Schroeder, Mr. Safe, and Mr. Yeates entered the meeting after it was called to order, as noted herein.

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 April 26, 2022. After discussion, Director Marken moved that the minutes for said meetings be approved, as written. Director Hajovsky seconded said motion, which unanimously carried.

**ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE,  
AND AFFIDAVITS OF CURRENT DIRECTORS**

In connection with their election as Directors of the District, the Oaths of Office, Affidavits of Current Directors and Statements of Elected Officers (collectively, "Qualification Documents") were presented for Directors Marken and Hajovsky. Directors Marken and

Hajovsky's Official Bonds were then presented to the Board and the Board found said Bonds to be in proper form. After discussion on the matter, it was moved by Director Hajovsky, seconded by Director Marken, and unanimously carried that the Board approve said Bonds, accept said Statements of Elected Officers, Affidavits of Current Directors and Oaths and declare Directors Marken and Hajovsky to be duly elected and qualified Directors of the District. Noting that Director Torres was not in attendance at today's meeting, the Board deferred consideration of his Qualification Documents and Official Bond.

### **ELECTION NOT TO DISCLOSE CERTAIN INFORMATION**

Ms. Henderson noted that Directors Marken and Hajovsky have each executed and delivered an Election Not to Disclose Certain Information. She stated that pursuant to Section 552.024 of the Texas Government Code, as amended, the directors may elect to withhold public access to certain personal information in the custody of the District. Upon review, Director Hajovsky moved that the Elections Not to Disclose Certain Information be accepted as executed by Directors Marken and Hajovsky. Director Marken seconded said motion, which unanimously carried.

### **ELECTION OF OFFICERS**

The Board considered the election of officers of the Board. After discussion, Director Hajovsky moved that all Directors continue to serve in their current officer positions and that no changes to the officer positions be made at this time. Director Marken seconded said motion, which unanimously carried.

### **DISTRICT REGISTRATION FORM**

The Board considered approving an updated District Registration Form (the "Form"). Ms. Henderson explained that the updated Form would be filed with the Texas Commission on Environmental Quality ("TCEQ") to record the Directors' new terms of office in accordance with applicable law. Director Marken moved that SPH be authorized to prepare the updated Form and submit it to the TCEQ. Director Hajovsky seconded said motion, which unanimously carried.

Mr. Schroeder entered the meeting at this time.

### **LOCAL GOVERNMENT OFFICERS LIST**

Ms. Henderson reminded the Board that, pursuant to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers, in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Hajovsky moved that SPH be authorized to update the District's list of Local Government Officers as appropriate and required by law. Director Marken 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 May 24, 2022,

which includes a Quarterly Investment Inventory Report for the period ended December 31, 2022, a copy of which is attached hereto as **Exhibit A**. Mr. Watson then advised the Board that due to anticipation of an increase in interest rates, the District's certificates of deposit will be redeemed to Texas Class. After discussion, Director Hajovsky moved that: (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check nos. 10177 and 10178, which were voided; and (ii) the Quarterly Investment Report be approved, and the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Marken seconded said motion, which unanimously carried.

Mr. Safe entered the meeting during the above discussion.

### **UNCLAIMED PROPERTY REPORT**

The Board deferred consideration of approval of an Unclaimed Property Report as of March 1, 2022, and the filing of same with the State Comptroller prior to July 1, 2022, until its next meeting in June.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report dated April 30, 2022, a copy of which is attached hereto as **Exhibit B**. Ms. Scott next advised the Board that BLI is recommending that the District's tax account be moved from Central Bank to Allegiance Bank. After discussion, Director Hajovsky moved that the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment and that BLI be authorized to move the District's tax account from Central Bank to Allegiance Bank. Director Marken seconded said motion, which unanimously carried.

### **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 July.

### **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 May 24, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit C**. Following discussion regarding the current condition of the weir wall located in the Long Meadow Park drainage channel, Ms. Henderson noted that, pursuant the terms of the Maintenance Agreement by and between the District and Seven Meadows Community Association, Inc. ("Seven Meadows"), should Seven Meadows fail to maintain the Drainage Facilities as set forth in the Maintenance Agreement and such failure continues for thirty (30) days following written notice thereof by the District, the District may, at its option, perform said maintenance and deduct same from the District's annual contribution for the following year. The Board then requested that Champions prepare a proposal for repair or replacement of said weir wall for consideration at next month's Board meeting

## **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 May 24, 2022, a copy of which is attached hereto as **Exhibit D**, 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. Henderson presented to the Board a Monthly Contract Deputy Report for the month of April 2022 from the FBCCO, a copy of which is attached hereto as **Exhibit E**. Following discussion, the Board noted there were no action items in the reports.

## **DEVELOPER REPORTS**

The Board next considered the developers' reports. Mr. Cleary 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 F**, for April 2022 prepared by MOC. In connection therewith, he reported that the District had 95% water accountability for the reporting period. With regard to the status of repair and/or rehabilitation of the clarifier at the District's Wastewater Treatment Plant, Mr. Arrant reported that MOC is in the process of investigating solutions to resolve the deficiencies noted by the TCEQ during its most recent inspection of the facility and that he should have additional information regarding same at the June Board meeting.

## **CONSUMER CONFIDENCE REPORT**

Mr. Arrant next presented to and reviewed with the Board a copy of the draft Consumer Confidence Report ("CCR") prepared by MOC, a copy of which is attached hereto as **Exhibit G**, which has been submitted to SPH for review and approval in accordance with the TCEQ template. Ms. Henderson noted that, in previous years, the Board has opted to authorize MOC to make the CCR available to District customers electronically in lieu of a mass mailing, in accordance with 40 CFR 141.155(a). After discussion, it was moved by Director Hajovsky that the CCR be approved, subject to SPH final approval, and MOC be authorized to include a notice on customers' water bills providing a direct URL link to the District's CCR on the MOC website. Director Marken seconded said motion, which unanimously carried.

## **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 completed and filed 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 next considered the District's proposed participation in the NFBWA effluent reuse program. In connection therewith, Ms. Henderson presented to and reviewed in detail with the Board a term sheet prepared by the NFBWA for a proposed Reclaimed Water Facilities Agreement by and among the District, Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("No. 35"), and the NFBWA, a copy of which is attached hereto as **Exhibit H**. After a lengthy discussion regarding the matter and NFBWA's terms for the facilities, the Board concurred to continue the discussion at its next Board meeting in June.

### **DISCUSSION REGARDING INSTALLATION OF SMART METERS IN THE DISTRICT**

The Board deferred consideration of the installation of smart water meters within the District.

### **ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated May 24, 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. With regard to the proposed purchase and installation of an emergency generator at the District's remote water well, Mr. Safe reported that BGE has completed the plans and specifications for the project. He advised that BGE will submit the plans for bids through The Interlocal Purchasing System program. In connection with the proposed repair of erosion located near golf cart crossing on the North and South Slopes of Little Prong Creek (the "Slope Repair Project"), Mr. Safe presented to and reviewed with the Board a design proposal prepared by BGE in the total estimated amount of \$37,000.00, as well as a proposal prepared by Storm Water Solutions ("SWS") in the total estimated amount of \$1,895 for inspection of the storm outfalls located within the proposed area for repair. Mr. Safe advised that the Slope Repair Project is located within Segment II – Component "B" of Little Prong Creek and, as such, is a shared project between the District, No. 35, and Grand Lakes Water Control and Improvement District pursuant to the Agreement for Joint Financing, Rehabilitation and Maintenance of Drainage Facilities (Little Prong Creek). After discussion, the Board declined the proposal provided by SWS and concurred to replace the 54-inch and 72-inch storm outfall pipes. It was then moved by Director Marken that the design proposal provided by BGE for the Slope Repair Project be approved by the Board and the President by authorized to execute same on behalf of the Board and the District. Director Haehnel seconded the motion, which unanimously carried.

## **RATIFICATION OF APPROVAL OF LETTER AGREEMENT REGARDING REIMBURSEMENT FOR INSTALLATION OF PRESSURE REGULATORS**

The Board next considered ratification of its prior approval of a Letter Agreement with Seven Meadows memorializing the terms by which the District will reimburse Seven Meadows for fifty-percent (50%) of the total cost of installation of pressure regulators in the portion of Seven Meadows' irrigation system located within the District. After discussion, Director Hajovsky moved that the Board's prior approval of said Letter Agreement be ratified in all respects. Director Haehnel seconded said motion, which unanimously carried. The Board then requested that MA&C hold check no. 10190, approved earlier in the meeting, until Seven Meadows approves the subject Letter Agreement and returns a fully executed original for the District's records.

## **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. In that regard, Ms. Henderson advised the Board that No. 35 is interested in conducting a joint community event this coming fall in cooperation with the District in connection with the NFBWA's 2022 Water Provider Conservation Program and inquired whether the Board is interested in participating. After discussion, the Board indicated that it willing to participate with No. 35 in such an event and requested that SPH convey same to No. 35's Board of Directors.

## **CLOSED SESSION**

The Board determined that it would not be necessary to meet in Closed Session at this time.

Mr. Yeates entered the meeting at this time.

## **REVIEW STATUS OF CONSULTANT CONTRACTS**

With the exception of the Board, Mr. Yeates, 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 contract with SPH and various provisions contained therein. Following a lengthy discussion, the Board concurred for SPH to provide the Board with an annual notice regarding the adjustment of hourly rates for legal and administrative services in January of each year going forward. Mr. Yeates advised that SPH will provide such notice in January of each year.

## **FUTURE AGENDA ITEMS**

The Board considered items to be placed 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 Hajovsky moved that the meeting be adjourned. Director Marken seconded said motion, which unanimously carried.



  
Secretary, Board of Directors

**TABLE OF EXHIBITS**

**May 24, 2022**

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: Detention and Drainage Facilities Report
- Exhibit D: Communications Meeting Report
- Exhibit E: Monthly Contract Deputy Report
- Exhibit F: Monthly Operations Report
- Exhibit G: Draft Consumer Confidence Report
- Exhibit H: NFBWA Term Sheet for Proposed Reclaimed Water Facilities Agreement
- Exhibit I: Engineer's Report