

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

Minutes of Meeting of Board of Directors

August 23, 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 August 23, 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 Director Piper, thus constituting a quorum. Director Marken entered later in the meeting, as noted herein.

Also present were: Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Kristen Scott of Bob Leared Interests ("BLI"); Layne Ricks of Meadowbrook Farms Golf Club ("Meadowbrook"); Anthea Moran of Masterson Advisors, LLC ("Masterson"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); 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"); Doug Allen of AV Water Technologies ("AVWT"); Jeff Safe of BGE, Inc. ("BGE"); and Matthew Reed 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 deferred consideration of approval of the minutes of its meeting held on July 26, 2022.

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 August 23, 2022, including a Quarterly Investment Inventory Report for the period ended June 30, 2022, and

a draft budget for the District's fiscal year ending September 30, 2023, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Torres moved that: (i) the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 10274, which was voided; and (ii) the Quarterly Investment Report be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District. Director Hajovsky seconded said motion, which unanimously carried.

Director Marken entered the meeting during the above discussion.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Scott introduced Mr. Ricks, who addressed the Board regarding Meadowbrook's request for a waiver of penalties and interest in the amount of \$2,048.44 levied against it for delinquent 2021 taxes. After discussion regarding the facts and circumstances surrounding the matter, the Board declined to grant Meadowbrook's request.

Mr. Ricks exited the meeting at this time.

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report dated July 31, 2022, 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 Torres seconded said motion, which unanimously carried.

2022 TAX RATE RECOMMENDATION

Ms. Moran next presented the Board with a tax rate analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit C**, and reviewed her recommendation regarding the proposed 2022 debt service and maintenance tax rates. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Mr. Reed advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Reed further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He explained that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting. After discussion on the matter, Director Hajovsky moved that (i) the Board indicate its intention to set a 2022 debt service tax rate of \$0.28 per \$100 of assessed valuation and a 2022 maintenance tax rate of \$0.31 per \$100 of assessed valuation, resulting in a combined 2022 tax rate of \$0.59 per \$100 of assessed valuation, and (ii) BLI be authorized to publish notice of the District's intention to adopt such 2022 tax rate at its next meeting in the form and at the time required by law. Director Torres seconded said motion, which unanimously carried. The Board concurred that the notice should be published by BLI in the *Katy Times*.

DELINQUENT TAX REPORT

Mr. Reed 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. He stated that the next quarterly report will be provided in October.

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 August 23, 2022, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit D**. Mr. Schroeder next reported that Champions has completed the replacement of the weir wall located in the Long Meadow Park drainage channel.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board next considered the status of the District's SWMP. Mr. Reed noted that there were no updates at this time.

COMMUNICATIONS REPORT; PROPOSED CREATION OF DISTRICT WEBSITE

Ms. Harwell next presented to and reviewed with the Board a Communications Meeting Report prepared by Touchstone dated August 23, 2022, a copy of which is attached hereto as **Exhibit E**, regarding the District's customer messaging system. She next discussed the status of development of the District's website with the Board, noting that the site is ready for review by the Board. After discussion, Directors Piper and Torres were designated by the Board to review the District's new website and provide authorization to Touchstone to release the website to the public prior to the next Board meeting. Ms. Harwell stated that she will send the website link to SPH and Directors Piper and Torres for review.

RECEIVE FORT BEND COUNTY CONSTABLE'S OFFICE PRECINCT 1 ("FBCCO") ACTIVITY REPORTS

Ms. Armstrong presented to the Board a Monthly Contract Deputy Report for the month of July 2022 from the FBCCO (the "FBCCO Report"), a copy of which is attached hereto as **Exhibit F**. It was noted that no action was required by the Board in connection with the FBCCO Report at this time.

DEVELOPER REPORTS

The Board next considered the developers' reports. Ms. Gillham addressed the Board regarding the status of development of The Haven at Seven Lakes by TRI Pointe.

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, Mr. Reed reminded the Board that it previously

paid 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 remaining balance of \$2,386,823.50 to be paid to TRI Pointe at a later date in accordance with terms of the Utility Development Agreement with TRI Pointe. In that regard, Mr. Reed noted that TRI Pointe has returned the executed original Receipt and Indemnity prepared by SPH which references release of the retained bond proceeds in connection with the previous partial receipt of funds from the District by TRI Pointe. After discussion, it was moved by Director Torres, seconded by Director Marken and unanimously carried, that the remaining fifty percent (50%) of the amount specified in the Audit Report be disbursed to TRI Pointe as discussed above.

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 G**, for July 2022 prepared by MOC. After discussion, it was noted that no action was required by the Board in connection with the O&M Report at this time.

DISCUSSION REGARDING INSTALLATION OF SMART METERS IN THE DISTRICT

A discussion ensued regarding the proposed installation and monitoring of electronic water meters within the District, including the possible installation of electronic water meters on the District's twelve-inch water lines supplying water to Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("No. 35"). Following discussion, the Board requested that SPH coordinate a proposed special meeting in the District to further discuss and act on the matter, but, if a special meeting cannot be scheduled due to Directors' calendars, then the Board will consider this matter at its next regular meeting.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated August 23, 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. With regard to the proposed purchase and installation of an emergency generator at the District's remote water well site, Mr. Safe reported that BGE is continuing to work to obtain Worldwide Power Products' final bid for the project. He further reported that BGE is also working through The Interlocal Purchasing System program to identify and obtain bids from two possible additional vendors. After discussion, the Board concurred to use the advertisement for bids procurement method if Mr. Safe does not receive additional bids in the two (2) weeks following this Friday.

Mr. Safe next reported that, earlier today, BGE received seven (7) bids for the proposed repair of erosion located on the North and South Slopes of Little Prong Creek near the golf cart crossing (the "Slope Repair Project"). With regard thereto, he advised that BGE is still evaluating the bids and requested that the Board defer action relative to the Slope Repair Project until its next meeting.

In connection with the proposed implementation of a Geographic Information System ("GIS") for the District, Mr. Safe presented four (4) Application Options at estimated costs of between \$39,000 and \$75,000, as detailed in the Engineer's Report, and discussed the specifics of each of the four (4) options with the Board. With regard to Director Hajovsky's previous request that BGE prepare a labelled exhibit identifying all manholes within the District, Mr. Safe advised the Board that the estimated cost for preparation of such an exhibit by BGE is between approximately \$3,000 to \$5,000. Following discussion, the Board deferred action on the matter and requested that Mr. Safe coordinate a demonstration of the GIS System proposed by BGE at its next meeting. No action was taken by the Board in connection with the Engineer's Report at this time.

Ms. Moran exited the meeting during the above discussion.

UTILITY COMMITMENT REQUESTS

The Board deferred consideration of requests for Utility Commitments after noting that no new requests were received.

SEVEN MEADOWS REQUEST

The Board next considered Seven Meadows request to amend the Maintenance Agreement by and between the District and Seven Meadows relative to the District's annual contribution toward the Long Meadow Park maintenance costs (the "Maintenance Agreement"). In connection therewith, Mr. Safe presented an exhibit prepared by Seven Meadows, a copy of which is attached hereto as **Exhibit I**, reflecting adjustments of the District's contributions for the years 2013 through 2023 roughly based on a certain Consumer Price Index ("CPI"). He advised the Board that Seven Meadows requests that the District increase its annual contribution from \$21,200 to \$35,849 for 2022 and 2023, with automatic annual CPI adjustment of the District's contribution thereafter for the remainder of the term of the Agreement, which expires on July 24, 2032. After discussion, it was moved by Director Hajovsky, seconded by Director Torres and unanimously carried, that the Maintenance Agreement be amended to increase the District's annual contribution to \$36,000, but without the CPI escalator, to be effective immediately, and that SPH be authorized to prepare said amendment.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In that regard, Mr. Reed stated that he did not have anything to report to the Board of a legal nature that was not already addressed under an agenda item.

CLOSED SESSION

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

FUTURE AGENDA ITEMS

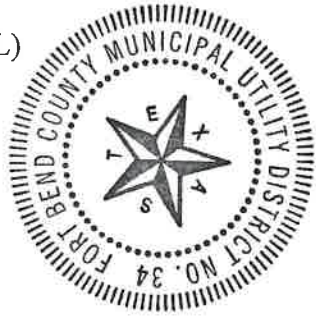
The Board considered items to be placed on future agendas. Mr. Watson requested that consideration of an amendment to the Agreement for Bookkeeping Services between the District

and MAC be added to the next agenda. The Board concurred to have the matter added to the next agenda.

ADJOURNMENT OF MEETING

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

(SEAL)




Assistant Secretary, Board of Directors

TABLE OF EXHIBITS

August 23, 2022

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: 2022 Tax Rate Recommendation
- Exhibit D: Detention and Drainage Facilities Report
- Exhibit E: Communications Meeting Report; Proposal for District Website
- Exhibit F: FBCCO Report
- Exhibit G: Monthly Operations Report
- Exhibit H: Engineer's Report
- Exhibit I: Seven Meadows' Exhibit – Proposed Adjustment of District's Annual Contribution