

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

Minutes of Meeting of Board of Directors

October 25, 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 October 25, 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 Marken and Piper, thus constituting a quorum. Director Marken entered the meeting after it had been called to order, as noted herein.

Also present were: Cory Burton of Municipal Accounts & Consulting, L.P. ("MAC"); Kristen Scott of Bob Leared Interests ("BLI"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Doug Allen of AV Water Technologies ("AVWT"); Jeff Safe and Jeremy Gaskins 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 meetings held on July 26, 2022 and September 27, 2022. After discussion, Director Hajovsky 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. Burton presented to and reviewed with the Board the Bookkeeper's Report dated October 25, 2022, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Torres moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for payment, with the exception of check no. 10331, which was voided. Director Hajovsky seconded said motion, which unanimously carried.

## **COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS**

The Board next considered the status of the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Henderson reminded the Board that, pursuant to the energy efficiency and reporting requirements set forth in Texas Government Code, Chapter 2265, the District must prepare an annual report of its metered usage of electricity and the aggregate costs for same. In connection therewith, Mr. Burton presented to and reviewed with the Board a Cost and Usage Report, a copy of which is attached to the Bookkeeper's Report. Ms. Henderson noted that said report satisfies the statutory reporting requirements and no further action is required by the Board.

## **REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS**

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") and the adoption of a Resolution in connection therewith. Ms. Henderson discussed with the Board the proposed changes to the Investment Policy, as recommended by SPH. Ms. Henderson then presented for the Board's review an amended Investment Policy and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **Exhibit B**. After discussion on the matter, it was moved by Director Torres, seconded by Director Hajovsky and unanimously carried, that the amended Investment Policy be approved to reflect the proposed changes as discussed, that the Board adopt the Resolution, and that the President and Secretary be authorized to execute the Investment Policy and the Resolution on behalf of the Board and the District.

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

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report dated September 30, 2022, a copy of which is attached hereto as **Exhibit C**. Ms. Scott advised that BLI will be changing banks from Central Bank to Allegiance Ban and noted that a new collateral security agreement will need to be executed. After discussion, Director Torres moved that the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment and BLI be authorized to transfer the District's tax accounts to Allegiance Bank. Director Hajovsky seconded said motion, which unanimously carried.

## **DELINQUENT TAX REPORT**

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated October 25, 2022, from Perdue, Brandon, Fielder, Collins & 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 there were no action items in the report. Ms. Henderson stated that the next quarterly report will be provided in January.

## **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 October 25, 2022, prepared by Champions, for Little

Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit E**. It was noted that no action was required by the Board 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.

### **DISTRICT WEBSITE AND MASS NOTIFICATION MESSAGING MATTERS**

Ms. Hartwell next presented to and reviewed with the Board a Communications Meeting Report prepared by Touchstone dated October 25, 2022, a copy of which is attached hereto as **Exhibit F**, regarding the District's customer messaging system. She next reported that Touchstone added certain required documents and information to the District's website, as discussed at the last Board meeting, and that the website went live to the public last week after final review and approval by SPH, as previously authorized by the Board. Ms. Hartwell then recommended that Touchstone be authorized to coordinate with MOC to distribute another opt-in notice to District customers relative to the District's messaging service. She advised that Touchstone would then send out a text message to all new and existing customers enrolled in the messaging system notifying them of the District's new website. After discussion, it was moved by Director Hajovsky that the Board authorize Touchstone and MOC to coordinate distribution of an opt-in notice to customers regarding the District's messaging system. Director Torres seconded the motion, which unanimously carried.

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

The Board deferred consideration of a Monthly Contract Deputy Report for the month of September 2022 from the FBCCO (the "FBCCO Report"), noting that no such report had been received.

Director Marken entered 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 G**, for September 2022 prepared by MOC. In connection therewith, he reported that the District had 92% water accountability for the reporting period. He also presented a list of one (1) delinquent account to be moved to the uncollectible roll in the amount of \$336.91.

Mr. Arrant next reported that Phase 1 of 5 (Schedule A) of the District's 5-year annual sanitary sewer televising project conducted by Source Point Solutions, LLC ("Source Point") is complete and that MOC and BGE are currently in the process of analyzing the results. He advised that he will present a summary of findings and any recommended repairs pending completion of MOC and BGE's review of same.

With regard to the rehabilitation of the clarifier at the District's Wastewater Treatment Plant (the "Clarifier Rehab Project"), Mr. Arrant presented to and reviewed with the Board a

summary of three (3) bids received by MOC for modification of the clarifier's weir, a copy of which is included in **Exhibit G**. He then advised the Board that MOC recommends accepting the bid from the low bidder, AUC Group, LLC ("AUC"), in the approximate total amount of \$36,200. He advised that the District's share of the Clarifier Rehab Project will be \$12,066.67.

Mr. Arrant next advised that, as previously requested by the Board, MOC has obtained a proposal in the approximate total amount of \$6,700 for the painting of 133 fire hydrants within the District and requested that the Board consider approving same.

After discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that: (i) MOC be authorized to move one (1) account in the amount of \$336.91 to the uncollectible roll, as reflected in the O&M Report; and (ii) the Board (a) accept the bid from AUC, as detailed above, and the President be authorized to approve and execute an agreement with AUC relative to same, subject to receipt of a Texas Ethics Commission ("TEC") Form 1295 from AUC in connection therewith, and (b) accept the proposal for the painting of fire hydrants within the District, as discussed above.

### **IMPLEMENTATION OF TEMPORARY FUEL SURCHARGES**

Mr. Arrant next presented to and reviewed with the Board a Letter Agreement between the District and MOC (the "Letter Agreement"), a copy of which is attached hereto as **Exhibit H**, regarding the imposition of a temporary fuel surcharge. He advised that the surcharge will become effective immediately and expire on January 1, 2024. Following discussion, Director Hajovsky moved that the Letter Agreement be approved as presented, that the President be authorized to execute same on behalf of the Board and the District, and that SPH be authorized to accept and acknowledge the associated TEC Form 1295. Director Torres seconded the motion, which carried unanimously.

### **RESOLUTION AUTHORIZING THE USE OF SURPLUS FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS**

Ms. Henderson then reminded the Board that the District has surplus construction funds available which may be utilized for the District's current share of the Clarifier Rehab Project. In that regard, Ms. Henderson presented to and reviewed with the Board a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds (the "Surplus Funds Resolution") to pay for a portion of the cost of said project, a copy of which is attached hereto as **Exhibit I**. Following discussion, it was moved by Director Hajovsky, seconded by Director Torres and unanimously carried, that the Board adopt the Surplus Funds Resolution authorizing the use of \$12,066 of the District's surplus construction funds to pay for a portion of the cost of the Clarifier Rehab Project.

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

The Board next considered the proposed installation and monitoring of electronic water meters within the District (the "Smart Meter Project"), 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"). With regard thereto, Ms. Henderson summarized the details of the three (3) proposals for the Smart Meter Project previously received by the Board. After a lengthy discussion, Director Hajovsky moved



that the Board proceed with the Smart Meter Pilot Program offered by Accurate Meter & Supply ("AMS") for the installation of ten (10) meters for a four (4) month period and authorize SPH to obtain a formal proposal from AMS relative to same for consideration and approval at the next Board meeting. Director Torres seconded the motion, which unanimously carried.

### **ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated October 25, 2022, a copy of which is attached hereto as **Exhibit J**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. He then presented a draft updated Capital Improvement Plan for the District, a copy of which is included in **Exhibit J**, and requested that the Board and consultants provide BGE with comments to same. After discussion, it was noted that no action was required by the Board in connection with the Engineer's Report at this time.

Mr. Safe next introduced Mr. Gaskin, who addressed the Board regarding the proposed creation of a Geographic Information System ("GIS") database for the District and reviewed implementation Options A through D, details of which are included in the Engineer's Report. Mr. Gaskin then provided a presentation to the Board of the various aspects of a GIS database and the functions available to the District's Engineer and Operator. Mr. Gaskin and Mr. Safe then responded to questions from the Board regarding various matters related to the proposed GIS database, including the up-front costs and monthly maintenance of same. Upon review, the Board requested that BGE prepare a formal proposal for implementation of GIS database Option C, as detailed in the Engineer's Report, for consideration at its next meeting in November.

Mr. Burton exited the meeting during the above discussion.

### **UTILITY COMMITMENT REQUESTS**

The Board next considered requests for Utility Commitments. In connection therewith, Ms. Henderson advised the Board that the District is in receipt of the executed Utility Commitment from XAG Group HQ, LLC ("XAG"), which was prepared for XAG by SPH as previously authorized by the Board, as well as the related TEC Form 1295 from XAG. She then presented to and reviewed with the Board the Utility Commitment to XAG for approximately 12 equivalent single-family connections of water and wastewater capacity to serve the development of an office building on an approximate 1.50 acre tract located at the northwest corner of FM 1093 and Gaston Road, within the boundaries of the District. Ms. Henderson noted that, as previously directed by the Board, the Utility Commitment to XAG includes certain terms and conditions to be met in order for XAG's request regarding relocation of the District's existing 12-inch waterline and 20-foot waterline easement (the "Relocation Project") to be granted, including (a) completion of the purchase of the Gaston Road Tract by XAG, (b) certain provisions relative to the relocation of the District's existing 12-inch waterline, abandonment of the District's existing 20-foot waterline easement, and granting of a new waterline easement to the District by XAG, (c) preparation of a proposed Consent to Encroachment and Indemnity Agreement between the District and XAG in connection with same, if needed, and (d) the requirement that XAG bear all costs related to the Relocation Project and engage BGE as to the design and bidding of the parts of the project concerning District sites and facilities. After discussion, Director Marken moved that the Board approve the Utility Commitment to XAG, as discussed

above, and (ii) authorize the Board President to execute same on behalf of the Board and District. Director Hajovsky seconded said motion, which unanimously carried.

**ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In that regard, Ms. Henderson stated that she 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. 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 Marken moved that the meeting be adjourned. Director Torres seconded said motion, which unanimously carried.



  
Secretary, Board of Directors

**TABLE OF EXHIBITS**

**October 25, 2022**

|            |  |
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| Exhibit A: | Bookkeeper's Report  |
| Exhibit B: | Resolution and Order regarding Investment Policy                       |
| Exhibit C: | Tax Assessor-Collector Report  |
| Exhibit D: | Delinquent Tax Report  |
| Exhibit E: | Detention and Drainage Facilities Report                               |
| Exhibit F: | Communications Meeting Report  |
| Exhibit G: | Monthly Operations Report; summary of bids for Clarifier Rehab Project |
| Exhibit H: | Letter Agreement with MOC  |
| Exhibit I: | Surplus Funds Resolution   |
| Exhibit J: | Engineer's Report; draft Capital Improvement Plan                      |