

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

Minutes of the Meeting of Board of Directors
January 12, 2026

The Board of Directors (the "Board") of Waller County Municipal Utility District No. 35 (the "District") met in regular session, open to the public, on January 12, 2026, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted members of the Board, as follows:

Victoria A. Battistini, President
Ryan C. Ward, Vice President
Jaclyn Day, Secretary
Daniel C. Feiler, Assistant Secretary
Tiffani S. Walker, Assistant Secretary

all of whom were present with the exception of Director Walker, thus constituting a quorum.

Also present were: Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Carter Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Dana Hollingsworth and Mia Hargrove of Municipal District Services, LLC ("MDS"); David Wood of Robert W. Baird & Co., Inc. ("Baird"); Patty Rodriguez of BLICO, Inc., dba Bob Leared Interests ("BLICO"); Tiffany Wilkes of Kudela & Weinheimer ("K&W"); and Christina Cole and Kris Eddlemon 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 the Board.

PUBLIC COMMENTS

There were no comments from members of the public.

MINUTES

The Board considered the minutes of its meeting held on December 8, 2025. After discussion, it was moved by Director Ward seconded by Director Feiler, and unanimously carried, that said minutes be approved, as written.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Rodriguez presented to and reviewed with the Board a written Tax Assessor-Collector Report ("TAC Report") for the period ended December 31, 2025, including the disbursements presented therein for payment from the District's tax account, a copy of which TAC Report is attached hereto as **Exhibit A**. After discussion, on motion made by Director Ward, seconded by Director Feiler and unanimously carried, the Board approved the TAC Report and authorized the payments listed therein.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Cole outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2026, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2026, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Ward moved that the District (a) not grant the residential homestead exemption and (b) not grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2026, and that the Resolution attached hereto as **Exhibit B** relative to same be approved and adopted by the Board and District. Director Feiler seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit C**. Ms. Cole advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Ward, seconded by Director Feiler and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott, PLLC, the District's delinquent tax attorneys, be authorized to proceed with the collection of the District's 2025 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Cole reminded the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in a Special Purpose District Public Information Database. Following discussion, Director Ward moved, Director Feiler seconded, and it was unanimously carried, that the District's auditor, Forvis Mazars, LLP, be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

OPERATOR'S REPORT

Ms. Hargrove presented to and reviewed with the Board the Operations Report dated January 12, 2026, a copy of which is attached hereto as **Exhibit D**. She advised the Board that there are two (2) delinquent accounts totaling \$339.77, which MDS has been unable to collect. She advised that MDS recommends these accounts be turned over to collections for further collection efforts. Following discussion, Director Ward moved that MDS be authorized to turn over the subject accounts to collections for further collection efforts, as discussed and as reflected in the Operations Report. Director Battistini seconded said motion, which unanimously carried.

Ms. Hollingsworth advised that the District received a general compliance letter from the Texas Commission on Environmental Quality ("TCEQ") as a result of a complaint investigation concerning sediment in the District's water supply. She further advised that sediment may be visible in the District's water supply due to tankless water heaters installed by builders, and that MDS recommends that the builders install a filtration system to filter out the sediment. Ms. Hollingsworth noted that no violations were alleged as a result of the investigation by the TCEQ, and that no action is required by the Board at this time.

ENGINEERING REPORT

Mr. Bozoarth next presented to and reviewed with the Board an Engineering Report dated January 12, 2026, a copy of which report is attached hereto as **Exhibit E**, relative to the status of various engineering and construction projects within the District. Upon review, Director Ward moved that the Engineering Report and all actions noted therein be approved as recommended by Quiddity, including acceptance and approval of Special Warranty Deed conveying certain recreational site(s) located within Sunterra Sections 47 and 56. Director Battistini seconded the motion, which unanimously carried.

Mr. Bozoarth next presented a revised Schedule of Hourly Rates (the "Schedule") for the Professional Services Agreement between Quiddity and the District. He noted that the Schedule is subject to annual revision in January of each year. Mr. Bozoarth requested that the Schedule be revised effective January 1, 2026, and the Board concurred.

REVISED EXHIBIT TO MAINTENANCE AGREEMENT RELATING TO RECREATIONAL FACILITIES

The Board next considered approval of a revised exhibit to the Maintenance Agreement between the District and Sunterra Property Owners Association, Inc., a copy of which is attached hereto as **Exhibit F**. Following discussion, Director Ward moved that the Board approve the revised exhibit and authorize the President to execute same on behalf of the Board and the District. Director Battistini seconded the motion, which unanimously carried.

SILT SOLUTIONS, INC.

The Board next considered a report from Silt Solutions, Inc. ("SSI") in connection with storm water pollution and prevention services. Ms. Cole advised that SSI provided a report for the

period December 9, 2025 through January 6, 2026, a copy of which is attached hereto as **Exhibit G**.

LANDSCAPE ARCHITECTURE REPORT

Ms. Wilkes presented to and reviewed with the Board a monthly report prepared by K&W regarding the status of various recreational projects, a copy of which report is attached hereto as **Exhibit H**. Following discussion, Director Ward moved that K&W's report and all actions noted therein be approved as recommended by K&W. Director Feiler seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Burton presented to and reviewed with the Board the Bookkeeper's Report, dated January 12, 2026, attached hereto as **Exhibit I**, including the disbursements presented for payment, as prepared by MA&C. Mr. Burton also presented to and reviewed with the Board a Quarterly Investment Inventory Report for the investment period ended November 30, 2025, a copy of which report is included in the Bookkeeper's Report. After discussion, it was moved by Director Ward that (i) the Bookkeeper's Report be approved, and that the disbursements identified in the Bookkeeper's Report be authorized for payment, and (ii) the Quarterly Investment Report for the investment period ended November 30, 2025, be approved as presented, and the Investment Officers of the District be authorized to execute same on behalf of the Board and the District. Director Battistini seconded said motion, which unanimously carried.

DEVELOPER'S REPORT

It was noted that a developer representative was not present at the meeting.

SECURITY PATROL REPORT

Ms. Cole presented to and reviewed with the Board a Security Patrol Report prepared by On-Site Services, LLC for the month of December 2025, a copy of which is attached hereto as **Exhibit J**.

DISTRICT INSURANCE POLICIES

The Board next discussed the renewal of the District's insurance policies and authorizing the solicitation of proposals for same. Ms. Cole advised the Board that the District's current insurance policies, brokered through McDonald & Wessendorff ("McDonald"), will expire on March 31, 2026. After discussion concerning the various options available to the District, it was moved by Director Ward, seconded by Director Battistini and unanimously carried, to authorize SPH to solicit a renewal proposal from McDonald to be reviewed and discussed at the next Board meeting.

MATTERS RELATED TO MAY 2, 2026 DIRECTORS ELECTION

Ms. Cole reported on issues related to the District's Directors Election (the "Election") to be held on May 2, 2026. In connection therewith, Ms. Cole presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit K**, regarding participation in the joint election with Waller County (the "County"). In connection therewith, Ms. Cole advised that the County will administer the Election if the District participates in the County's joint election. Following discussion, it was moved by Director Ward, seconded by Director Battistini and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint Election.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Ms. Cole presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit L** calling the Election to be held on May 2, 2026. It was noted that the terms of office of Directors Day and Walker expire in May of this year. In reviewing the Order with the Board, Ms. Cole advised that the Order provides for the conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. She advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Ms. Cole further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Ms. Cole advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District. After discussion on the matter, Director Ward moved that said Order be passed and adopted, that the President or Vice President and Secretary or Assistant Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Battistini seconded said motion, which unanimously carried. Ms. Cole advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Ms. Cole advised the Board that she had nothing further to discuss with the Board of a legal nature which was not covered under a specific agenda item.

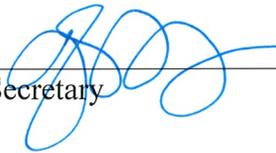
FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. No items were requested to be added to future agendas other than those items discussed hereinabove.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Ward, seconded by Director Battistini, and unanimously carried, the meeting was adjourned.




Secretary

LIST OF ATTACHMENTS

- EXHIBIT A Tax Assessor-Collector's Report
- EXHIBIT B Resolution Concerning Exemptions From Taxation
- EXHIBIT C Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- EXHIBIT D Operations Report
- EXHIBIT E Engineering Report
- EXHIBIT F Revised exhibit to the Maintenance Agreement between the District and Sunterra Property Owners Association, Inc.
- EXHIBIT G Report provided by Silt Solutions, Inc.
- EXHIBIT H Landscape Architect Report (Kudela & Weinheimer)
- EXHIBIT I Bookkeeper's Report
- EXHIBIT J Security Patrol Report
- EXHIBIT K Memorandum prepared by Schwartz, Page & Harding, L.L.P.
- EXHIBIT L Order Calling Directors Election