

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

Minutes of Meeting of Board of Directors

January 28, 2025

The Board of Directors ("Board") of Fort Bend County Municipal Utility District No. 34, of Fort Bend County, Texas ("District") met in regular session at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas 77056, on January 28, 2025, 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 Marken, thus constituting a quorum. Director Marken entered the meeting after it had been called to order, as noted herein.

Also present were: Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Sherri Greenwood of Forvis Mazars, LLP ("Forvis"); Kristen Scott of Bob Leared Interests ("BLI"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Dee Russell of Touchstone District Services, LLC ("Touchstone"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Jeff Safe 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. No comments from the public were presented.

APPROVE MINUTES

The Board considered approval of the minutes of its meeting held on December 12, 2024. After discussion, Director Piper moved that the minutes for said meetings be approved, as written. Director Hajovsky 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 January 28, 2025, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Hajovsky moved that the Bookkeeper's Report be approved and that the disbursements identified therein be approved for

payment, except for check no. 11100, which was voided. Director Piper seconded said motion, which carried unanimously.

Ms. Greenwood entered the meeting during the above discussion.

Director Marken entered the meeting at this time.

AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024

The Board next reviewed and considered approval of the District's audit report for the fiscal year ended September 30, 2024. In connection therewith, Ms. Greenwood presented to and reviewed in detail with the Board a draft of the audit report prepared by Forvis, together with a draft Management Letter concerning the Board's internal controls over financial reporting and draft management's response to same, copies of which are attached hereto as **Exhibit B**. Ms. Greenwood advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. After discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that (i) the audit report for the fiscal year ended September 30, 2024, be approved, subject to final review and comments by the District's consultants, (ii) the draft management response be approved, as presented, and that same be included in the final Management Letter, (iii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and (iv) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ").

CONTINUING DISCLOSURE REPORT DUE MARCH 31, 2025

The Board next considered authorizing the preparation of the District's annual Continuing Disclosure Report due March 30, 2025. Ms. Henderson advised the Board that, once the District's Audit Report for the fiscal year ended September 30, 2024, has been finalized, the District's Continuing Disclosure Counsel, McCall, Parkhurst & Horton L.L.P. ("McCall Parkhurst"), will prepare and file the annual Continuing Disclosure Report with the appropriate repositories prior to the due date of March 30, 2025. After discussion on the matter, it was moved by Director Marken, seconded by Director Piper and unanimously carried, that McCall Parkhurst be authorized to prepare the District's annual Continuing Disclosure Report for the fiscal year ended September 30, 2024, and file same with the appropriate repositories prior to the due date of March 30, 2025.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS ("COMPTROLLER") SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Henderson informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to annually submit information to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1st of each year. Ms. Henderson recommended that Forvis be authorized to prepare and submit the information for the 2025 reporting period. After discussion on the matter, it was moved by Director Piper, seconded by Director Marken and unanimously carried, that Forvis be authorized to prepare the required information for the 2025 reporting period and submit same to the Comptroller for inclusion in the Special Purpose District Information Database no later than April 1, 2025.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report prepared by BLI dated December 31, 2024, a copy of which is attached hereto as **Exhibit C**. After discussion, Director Marken moved that the Tax Assessor-Collector Reports be approved and the disbursements identified therein be approved for payment. Director Piper seconded said motion, which unanimously carried.

BUSINESS LIST UPDATE FOR STRATEGIC PARTNERSHIP AGREEMENT ("SPA") WITH CITY OF HOUSTON ("COH")

Ms. Scott next discussed with the Board the annual update of a list of businesses in the District in compliance with the District's SPA with the COH. She advised the Board that BLI is in the process of updating the list of businesses located within the District's SPA boundaries and, upon completion, will submit same to the COH prior to the January 31, 2025, deadline for same.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated January 28, 2025, 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.

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. Ms. Henderson 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 Marken, seconded by Director Piper and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes attached hereto as **Exhibit E** be adopted by the Board, and that Perdue be authorized to collect delinquent personal property taxes beginning April 1, 2025, including the filing of lawsuits, if necessary.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Henderson 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 Texas 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 2025, 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 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Ms. Scott then presented to and reviewed with the Board a 2025 Exemption Impact Analysis prepared by BLI based on the 2024

average value and tax rate. After discussion, Director Hajovsky moved that the District (a) not grant a residential homestead exemption, and (b) grant an exemption of \$35,000 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 2025. The motion failed for lack of a second. After further discussion of the matter, Director Marken moved that the District (a) not grant a residential homestead exemption, and (b) grant an exemption of \$40,000 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 2025, and that the Resolution, attached hereto as **Exhibit F**, relative to same be passed and adopted by the Board and District. Director Haehnel seconded said motion and, with Directors Marken, Haehnel and Piper voting "aye" and Director Hajovsky abstaining, the motion passed. A copy of the 2025 Exemption Impact Analysis prepared by BLI is included with **Exhibit F**.

DETENTION AND DRAINAGE FACILITIES REPORT ("D&D REPORT")

Mr. Cosco next presented to and reviewed with the Board a D&D Report dated January 28, 2025, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit G**. It was noted that no action was required by the Board in connection with the D&D Report at this time. The Board then requested that Champions include an aerial depiction of Champions' noted areas of concern on Little Prong Creek on a going forward basis.

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. Russell next presented to and reviewed with the Board a Monthly Communications Report prepared by Touchstone dated January 28, 2025, a copy of which is attached hereto as **Exhibit H**, regarding the status of the District's website and customer messaging system. After discussion, it was noted that no action by the Board was necessary in connection with the Communications Report at this time.

Ms. Russell exited the meeting at this time.

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

Ms. Henderson presented to the Board Monthly Contract Deputy Reports for the month of December, 2024 from the FBCCO (the "FBCCO Report"), a copy of which is attached hereto as **Exhibit I**. It was noted that no action was required by the Board in connection with the FBCCO Report 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 J**, for December 2024 prepared by MOC. In connection therewith, he reported that the District had 94% water accountability for the reporting period. With regard to the sanitary sewer repairs identified in Phase 2 of 5 (Schedule

B) of the District's Sanitary Sewer Maintenance Program (the "Phase 2 Repairs"), Mr. Arrant advised the Board that the Phase 2 Repairs are near completion. He next advised the Board that MOC's review of the report prepared by Hydro Clear Services detailing the results of the Phase 3 of 5 (Schedule C) of the 5-year annual sanitary sewer televising program is still pending. He stated that he will present a summary of the findings at next month's Board meeting.

The Board next considered the proposed installation of additional security measures at the Joint Wastewater Treatment Plant, the District's Wastewater Treatment Plant, the Joint Water Plant and the Joint Remote Well site. After discussion, Director Piper moved that: (i) MOC be authorized to install warning signs and certain surveillance equipment at the facilities discussed above; and (ii) the Board's prior action authorizing MOC and Storm Water Solutions, LLC to perform an inventory of the District's inlet markers and replace them as necessary for an amount not to exceed \$5,000 be ratified in all respects. Director Hajovsky seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated January 28, 2025, a copy of which is attached hereto as **Exhibit K**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, Director Hajovsky moved that the Board's prior authorization for BGE to coordinate repair of the weir located in the northern portion of the Long Meadow Park drainage channel for an amount not to exceed \$5,000 be ratified in all respects. Director Piper seconded said motion, which unanimously carried.

RESOLUTION ADOPTING FLOOD DAMAGE PREVENTION REGULATIONS AND APPROVAL OF AMENDED INTERLOCAL AGREEMENT BETWEEN THE DISTRICT AND FORT BEND COUNTY

The Board next considered the adoption of a new Flood Damage Prevention Order ("Order"), which mirrors Fort Bend County's (the "County") current form of Flood Damage Prevention Regulations, pursuant to the Interlocal Agreement between the District and the County memorializing the transfer from the District to the County of floodplain administration and permitting duties. With regard thereto, Ms. Henderson presented to and reviewed with the Board a Resolution Adopting Flood Damage Prevention Order and an amended Interlocal Agreement between the District and the County. After discussion, Director Piper moved that (i) the Resolution Adopting Flood Damage Prevention Order, attached hereto as **Exhibit L**, be adopted by the Board, and (ii) the amended Interlocal Agreement with the County, included in **Exhibit L**, be approved, subject to final review by SPH. Director Marken seconded said motion, which unanimously carried.

STATUS OF COMPLIANCE WITH THE EPA'S NATIONAL PRIMARY DRINKING WATER REGULATIONS FOR PFAS

The Board deferred discussion on the District's compliance with the EPA's final National Primary Drinking Water Regulations for PFAS at this time.

UTILITY COMMITMENT REQUESTS

The Board deferred consideration of requests for Utility Commitments after noting that no

new requests were received.

ASSIGNMENT BY HICKORY CREEK OF THE FLOCK GROUP, INC. SERVICES AGREEMENT TO THE DISTRICT

The Board deferred consideration of the status of the Services Agreement with Flock Group, Inc. ("Flock") relative to the license plate cameras within the District. The Board then requested that Flock provide them with a monthly report on its security cameras throughout the District.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed obtaining insurance proposals for the 2025-2026 term. Ms. Henderson advised the Board that the District's current insurance coverages through Arthur J. Gallagher & Co. ("AJG") are set to expire on March 31, 2025. After discussion on the matter, Director Hajovsky moved that SPH be authorized to request a renewal proposal from AJG for the District's property, comprehensive boiler and machinery, general, hired/non-owned automobile, commercial umbrella and directors' and officers' liability policies, Directors Position Schedule Bond, Public Employee Blanket Bond and all other policies for the term commencing April 1, 2025. Director Piper seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In that regard, Ms. Henderson presented to and reviewed with the Board an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), attached hereto as **Exhibit M**. Ms. Henderson advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. She noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Ms. Henderson further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Piper moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Hajovsky seconded said motion, which unanimously carried.

Ms. Henderson requested that the Board consider ratifying its prior approval of the Resolution Casting Its Ballot for the Election of a Person to the Board of Directors of the Fort Bend Central Appraisal District (the "FBCAD Resolution"). After discussion, Director Piper moved that the Boards prior approval of the FBCAD Resolution be ratified in all respects. Director Hajovsky seconded said motion, which unanimously carried.

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 Piper moved that the meeting be adjourned. Director Hajovsky seconded said motion, which unanimously carried.

(SEAL)



Secretary, Board of Directors



TABLE OF EXHIBITS

January 28, 2025

- Exhibit A: Bookkeeper's Report
- Exhibit B: Draft Audit Report; draft Management Letter and management's response
- Exhibit C: Tax Assessor-Collector Reports
- Exhibit D: Delinquent Tax Report
- Exhibit E: Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
- Exhibit F: Resolution Concerning Exemptions from Taxation
- Exhibit G: Detention and Drainage Facilities Report
- Exhibit H: Communications Report
- Exhibit I: FBCCO Report
- Exhibit J: Monthly Operations Report
- Exhibit K: Engineer's Report
- Exhibit L: Resolution Adopting Flood Damage Prevention Order; Amended Interlocal Agreement between the District and the County
- Exhibit M: Order Establishing Policy for Covered Applications and Prohibited Technology