

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

Minutes of Meeting of Board of Directors

April 23, 2024

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 April 23, 2024, 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, thus constituting a quorum.

Also present were: Micah Burson of Accurate Meter & Supply, LLC ("AMS"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Kristen Scott of Bob Leared Interests ("BLI"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Jeff Safe of BGE, Inc. ("BGE"), who entered later in the meeting, as noted herein; 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.

**STATUS OF IMPLEMENTATION OF WIRELESS ELECTRONIC WATER METERS**

The Board next recognized Mr. Burson, who reported on the status of implementation of wireless electronic water meters throughout the District and the installation of three (3) Ultrasonic Strap On electronic water meters at the points of connection between the District and Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas ("No. 35"). He advised the Board that Accurate commenced installation of the Beacon AMA Polymer E-Series meters within the District approximately one (1) week ago and estimated that the project will be completed by May 1<sup>st</sup>. Mr. Burson then responded to various questions from the Board.

Mr. Burson left the meeting at this time.

Mr. Safe entered the meeting during the above discussion.

## **APPROVE MINUTES**

The Board considered approval of the minutes of its meeting held on March 26, 2024. After discussion, Director Piper 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. Watson presented to and reviewed with the Board the Bookkeeper's Report dated April 23, 2024, 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. Director Piper seconded said motion, which unanimously carried.

## **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 March 31, 2024, a copy of which is attached hereto as **Exhibit B**. Ms. Scott next reported that BLI has been contacted by a District taxpayer requesting an installment payment plan for their 2023 taxes, with an initial payment in the amount of \$500 and the remainder to be paid thereafter in five (5) equal monthly installments. After reminding the Board that taxpayers who have homestead exemptions on their property are entitled to an installment payment plan once every 24 months upon request, Ms. Scott advised the Board that the taxpayer in question, who does have a homestead exemption on their property, received a payment plan on their 2022 taxes. She noted that all of said taxpayer's installment payments for 2022 taxes due were made timely and in full. After discussion, Director Piper moved that: (i) the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment; and (ii) the subject taxpayer be granted a five (5) month installment payment plan for their 2023 taxes, as recommended by BLI. Director Torres seconded said motion, which unanimously carried.

## **DELINQUENT TAX REPORT**

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated April 23, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), the District's delinquent tax collections attorneys. A copy of said report is attached hereto as **Exhibit C**. The Board noted there were no action items in the report.

## **RESOLUTION AUTHORIZING ADDITIONAL PENALTY AND AUTHORIZING DELINQUENT TAX ATTORNEYS TO COLLECT DELINQUENT REAL PROPERTY TAXES**

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Henderson advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. She noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty

pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 23, 2024. After further discussion, it was moved by Director Marken, seconded by Director Piper, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, which is attached hereto as **Exhibit D**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2023 delinquent real property tax accounts on July 1, 2024, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

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

Mr. Schroeder next presented to and reviewed with the Board a D&D Report dated April 23, 2024, prepared by Champions for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit E**. With regard to the proposed repair of a noted area of erosion on the north and south sides of Little Prong Creek on either side of the overpass located at Gaston Road (the "Gaston Road Slope Repair Project"), Mr. Schroeder presented to and reviewed with the Board a proposal prepared by Champions in the estimated total amount of \$60,735.75, a copy of which is included with **Exhibit E**. After discussion, Director Hajovsky moved that BGE be authorized to solicit two (2) additional bids for the Gaston Road Slope Repair Project. Director Piper seconded the motion, which unanimously carried.

**STORMWATER MANAGEMENT PROGRAM**

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 Monthly Communications Report prepared by Touchstone dated April 23, 2024, a copy of which is attached hereto as **Exhibit F**, regarding the status of the District's website and customer messaging system. After discussion, it was moved by Director Hajovsky, seconded by Director Piper and unanimously carried, that Touchstone be authorized to post further details and/or updates regarding the District's new wireless electronic water meters and any related benefits and/or features on the District's website once installation throughout the District is complete.

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

Ms. Henderson presented to the Board a Monthly Contract Deputy Report for the month of March 2024 from the FBCCO (the "FBCCO Report"), 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 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 H**, for March 2024 prepared by MOC. In connection therewith, he reported that the District had 93% water accountability for

the reporting period. Mr. Arrant further reported that: (i) the smoke testing to attempt to determine the reason that the District's Wastewater Treatment Plant ("WWTP") is operating near the limit of its permitted capacity has been scheduled, as previously authorized by the Board; (ii) ES Enviro Service, LLC has completed the replacement of a deficient portion of the District's sanitary sewer line, as previously authorized by the Board; and (iii) G-M Services recently conducted a water well performance test on Water Well No. 2 and noted that the test results reflect that the subject well is in good operating condition. He then presented one (1) delinquent account in the total amount of \$394.95 to be moved to the uncollectible roll.

Ms. Henderson then discussed with the Board the requirements of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Water Conservation Plan (the "WCP") and/or Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. Ms. Henderson then advised BGE and MOC have reviewed the District's current WCP and DCP and are not recommending any revisions to either the WCP or the DCP at this time. With regard thereto, she presented to and reviewed with the Board a Resolution Regarding Review of Water Conservation Plan and a Resolution Regarding Review of Drought Contingency Plan and requested that the Board adopt said Resolutions.

The Board next considered the status of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Arrant presented to and reviewed with the Board the Annual Red Flag Policy Report relative to identity theft prevention and protection (the "Report"), a copy of which is attached to the O&M Report. He advised that said Report (i) indicates that no incidents of identity theft have occurred during the period of January 2024 through January 2025, and (ii) recommends that no changes be made to the District's Identity Theft Prevention Program at this time. The Board concurred that no changes were necessary to the Program at this time.

The Board considered authorizing MOC to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Ms. Henderson advised that, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality ("TCEQ"), the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2024.

A discussion next ensued regarding the sanitary sewer line blockage which occurred on January 9, 2024. The Board requested that Touchstone post information explaining why it is important to keep fats, oil and grease ("FOG") out of the District's sanitary sewer system and follow up by sending out a text notification to all District subscribers linking to same. The Board further requested that MOC distribute doorhangers regarding the matter in the area of highest concern.

After discussion, it was duly moved by Director Piper, seconded by Director Hajovsky and unanimously carried, that: (i) MOC be authorized to move one (1) account in the amount of \$394.95 to the uncollectible roll, as reflected in the O&M Report; (ii) the District adopt (a) the Resolution Regarding Review of Water Conservation Plan attached hereto as **Exhibit I** and (b) the Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit J**; and (iii) MOC be authorized to prepare a draft CCR and SPH be authorized to review same for

compliance with the TCEQ's regulatory requirements and its 2024 template.

## **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, 2024, deadline for same, as previously authorized by the Board.

### **ENGINEER'S REPORT**

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated April 23, 2024, 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, it was moved by Director Hajovsky that the Engineer's Report and all action items listed therein be approved, including approval of Pay Request No. 5 from McDonald Municipal and Industrial in the amount of \$213,750.00 in connection with the contract for Installation of Emergency Generator at District's Remote Water Well Site. Director Torres seconded said motion, which unanimously carried.

Mr. Safe then requested that an item be added to the next agenda for the Board to consider a proposal to perform a condition assessment of Wastewater Treatment Plant Nos. 1 and 2. The Board indicated it concurred with Mr. Safe's request.

Mr. Arrant left 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.

## **AMENDMENT TO LETTER AGREEMENT WITH HICKORY CREEK HOMEOWNERS ASSOCIATION ("HICKORY CREEK")**

In connection with the Letter Agreement with Hickory Creek relative to funding of the agreement with Flock Group, Inc. (the "Flock Agreement") in connection with the license plate cameras within the District (the "Security Camera System"), Ms. Henderson reported that SPH received Flock Group, Inc.'s form of Assignment earlier today and will send a letter to Hickory Creek's Board of Directors tomorrow on behalf of the Board and the District offering to assume the Flock Agreement, as previously authorized by the Board.

### **ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson presented to and reviewed with the Board the Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC, dated April 12, 2024, relative to the District's outstanding bonds, a copy of which is attached hereto as **Exhibit L**. In connection

therewith, Ms. Henderson presented to and reviewed with the Board an engagement letter from Arbitrage Compliance Specialists, Inc. ("ACS"), a copy of which is included with **Exhibit L**, for preparation of arbitrage compliance computations as required by the Internal Revenue Service. Ms. Henderson advised the Board that the engagement letter addresses the preparation of a 10<sup>th</sup> Year Arbitrage Rebate Report for the District's \$7,490,000 Unlimited Tax Refunding Bonds, Series 2014 and a 10<sup>th</sup> Year Arbitrage Rebate Report for the District's \$6,805,000 Unlimited Tax Refunding Bonds, Series 2015 (the "Engagement Letter"). After discussion of the matter, Director Marken moved that (i) ACS be engaged to prepare the 10<sup>th</sup> Year Arbitrage Rebate Reports in accordance with the ACS Engagement Letter, (ii) the President be authorized to execute the ACS Engagement Letter on behalf of the Board and District, and (iii) SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 received in connection with same. Director Piper 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. In connection therewith, Ms. Henderson requested that the Board consider rescheduling its meeting schedule for November and December, 2024. After discussion, the Board concurred to cancel its regular meetings in November and December and reschedule them for an as yet to be determined date during the week of December 9<sup>th</sup>. The Board then requested that an item be added to the agenda for its next meeting to consider the proposed rehabilitation of the storm outfall pipe located at Long Meadow Park.

### **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.



  
Assistant Secretary, Board of Directors

TABLE OF EXHIBITS

April 23, 2024

Exhibit A:	Bookkeeper's Report
Exhibit B:	Tax Assessor-Collector Report
Exhibit C:	Delinquent Tax Report
Exhibit D:	Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes
Exhibit E:	Detention and Drainage Facilities Report; Champions proposal for Little Prong at Gaston Road Slope Repairs
Exhibit F:	Communications Report
Exhibit G:	FBCCO Report
Exhibit H:	Monthly Operations Report
Exhibit I:	Resolution Regarding Review of Water Conservation Plan
Exhibit J:	Resolution Regarding Review of Drought Contingency Plan
Exhibit K:	Engineer's Report
Exhibit L:	Annual Maintenance for Arbitrage Analysis Report; ACS Engagement Letter