

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

Minutes of Meeting of Board of Directors

March 26, 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 March 26, 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, except Directors Marken and Torres, thus constituting a quorum. Director Marken entered after the meeting was called to order, as noted herein.

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"); 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 installation of the Beacon AMA Polymer E-Series meters within the District will begin sometime during the first week in April and will take approximately four (4) to six (6) weeks to complete. Mr. Burson then responded to various questions from the Board.

Mr. Burson left the meeting at this time.

Director Marken entered the meeting during the above discussion.

APPROVE MINUTES

The Board considered approval of the minutes of its meeting held on February 27, 2024. After discussion, Director Marken moved that the minutes for said meetings be approved, as written. Director Piper 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 March 26, 2024, including a Quarterly Investment Inventory Report for the period ended December 31, 2023, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Hajovsky 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. 10829, 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 Piper seconded said motion, which unanimously carried.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report was filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel, on March 22, 2024, prior to the March 30, 2024 deadline.

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 February 29, 2024, 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 Piper seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and MAC and/or BLI to prepare Unclaimed Property Report(s) as of March 1, 2024. Ms. Henderson advised the Board that the District's Bookkeeper and/or Tax Assessor-Collector will file the report(s) with the Comptroller of Public Accounts of the State of Texas (the "Comptroller") and discharge any unclaimed funds to the Comptroller by July 1, 2024. After discussion, Director Marken moved that the District's Operator, Tax Assessor-Collector and Bookkeeper be authorized to research their records to determine whether or not there is any unclaimed property for the stated period and that the Bookkeeper and Tax Assessor-Collector be authorized to prepare Unclaimed Property Report(s), if necessary, for the Board's consideration, approval and filing with the Comptroller prior to July 1, 2024. Director Hajovsky seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Ms. Henderson 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. She stated that the next quarterly report will be provided in April.

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

Mr. Schroeder next presented to and reviewed with the Board a D&D Report dated March 26, 2024, prepared by Champions for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit C**. In connection therewith, he noted an area of erosion on the north and south side near the overpass located at Gaston Road, as depicted in the D&D Report, and recommended that rip rap be used to repair the slopes. The Board concurred with Mr. Schroeder's recommendation and requested that Champion's prepare a proposal for such repairs for the Board's consideration at its next meeting.

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 March 26, 2024, a copy of which is attached hereto as **Exhibit D**, regarding the status of the District's website and customer messaging system. After discussion, the Board requested that Touchstone coordinate with the Communications Subcommittee to send out a text alert to all subscribers providing notice of the upcoming water meter switch out.

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 February 2024 from the FBCCO (the "FBCCO Report"), 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 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 F**, for February 2024 prepared by MOC. In connection therewith, he reported that the District had 94% water accountability for the reporting period. He further reported that the District's Splash Pad facility has been inspected and is ready to be opened for the season. Mr. Arrant then presented four (4) delinquent accounts in the total amount of \$475.33 to be moved to the uncollectible roll.

Director Hajovsky next noted that the O&M Report indicates that the District's Wastewater Treatment Plant ("WWTP") is operating at approximately 94% of its permitted capacity. A discussion ensued regarding Director Hajovsky's recommendation that MOC be authorized to perform a smoke test to attempt to determine the cause.

In connection with the proposed replacement of a deficient portion of the District's sanitary sewer line as discussed at last month's Board meeting, Mr. Arrant presented a proposal prepared by ES Enviro Service, LLC in the estimated total amount of \$12,000, a copy of which is included with **Exhibit F**, and requested that the Board authorize MOC to proceed with same.

With regard to the District's Water Conservation Plan ("WCP") and Drought Contingency Plan ("DCP") (collectively, the "Plans"), Mr. Arrant reported that MOC has completed the required five-year review of the Plans, as previously authorized by the Board, and has no recommended changes to either the WCP or DCP.

After discussion, Director Hajovsky moved that MOC be authorized to (i) move four (4) accounts in the amount of \$475.33 to the uncollectible roll, as reflected in the O&M Report; (ii) proceed with smoke testing to investigate operations at the District's WWTP for an amount not to exceed \$7,500; and (iii) proceed with replacement of an approximate six-foot (6-foot) portion of deficient sanitary sewer line in the amount of \$12,000.00, as discussed above. Director Piper seconded the motion, which unanimously carried.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") WATER CONSERVATION PLAN ANNUAL IMPLEMENTATION REPORT

The Board next considered authorizing MOC to prepare and file the Annual Implementation Report regarding the District's WCP with the Texas Water Development Board and NFBWA. After discussion, Director Hajovsky moved that MOC be authorized to prepare the Annual Implementation Report and file same with the Texas Water Development Board and NFBWA prior to the May 1, 2024, deadline. Director Piper seconded said motion, which carried unanimously.

ANNUAL FILINGS OF CRITICAL LOAD STATUS FACILITIES

Ms. Henderson next reported that Section 13.1396, Texas Water Code, requires public water suppliers, such as the District, to annually submit to each electric distribution utility and each retail electric utility provider, a list of potential critical load status facilities for a determination that the facilities qualify for critical load status. After discussion, Director Piper moved that MOC be authorized to make the annual submission on behalf of the District. Director Marken seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report dated March 26, 2024, a copy of which is attached hereto as **Exhibit G**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. Mr. Safe next requested that the Board authorize BGE to perform a service line connection inventory in connection with the lead service line inventory required by the EPA

Lead and Copper Rule Revisions at an hourly rate for an amount not to exceed \$7,500. After discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that the Board authorize BGE to perform a service line connection inventory, as discussed above.

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"), Director Hajovsky moved that SPH be authorized to prepare and send a letter to Hickory Creek's Board of Directors on behalf of the Board and the District offering to assume the Flock Agreement. Director Piper seconded the motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed the District's insurance coverages scheduled to expire on March 31, 2024. In that regard, Ms. Henderson presented to and reviewed with the Board a renewal insurance proposal for the 2024-2025 policy term, which was received from the District's current insurance carrier, Arthur J. Gallagher & Co. ("AJG"). After discussion, Director Piper moved that the Board accept the proposal from AJG for all policies as set forth in the proposal attached hereto as **Exhibit H**. Director Marken seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. With regard to the annual Consumer Price Index ("CPI") adjustment for garbage collection and recycling collection services for the District, Ms. Henderson presented for the Board's review correspondence from Best Trash dated March 18, 2024, a copy of which is attached hereto as **Exhibit I**, providing notice of a 7.149% increase to the rate charged for monthly solid waste collection and disposal and recycling services from \$22.57 to \$24.18, effective June 1, 2024, based on an increase in the CPI-U Garbage and Trash Index for the most current twelve-month reporting period, in accordance with the terms of the Residential Solid Waste Collection, Disposal and Recycling Agreement by and between the District and Best Trash (the "Best Trash Agreement"). In that regard, Ms. Henderson noted that the District may need to amend its Rate Order to address the CPI increase. After discussion on the matter, the Board concurred that an amendment of the District's Rate Order with respect to the monthly residential sanitary sewer service rate was not necessary at this time and requested an item be included in next month's agenda regarding communication to residents regarding the CPI increase and the District's absorption of same.

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 Marken seconded said motion, which unanimously carried.

(SEAL)



Secretary, Board of Directors

TABLE OF EXHIBITS

March 26, 2024

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: Detention and Drainage Facilities Report
- Exhibit D: Communications Report
- Exhibit E: FBCCO Report
- Exhibit F: Monthly Operations Report
- Exhibit G: Engineer's Report
- Exhibit H: Insurance Renewal Proposal from Arthur J. Gallagher & Co.
- Exhibit I: Best Trash – Correspondence regarding annual CPI adjustment and request for additional increase