

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

Minutes of Meeting of Board of Directors

February 27, 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 February 27, 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 Director Marken, thus constituting a quorum. Director Marken entered after the meeting was called to order, as noted herein.

Also present were: Taylor Watson of Municipal Accounts & Consulting, L.P. ("MAC"); Kristen Scott of Bob Leared Interests ("BLI"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"), who entered later in the meeting, as noted herein; 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.

**APPROVE MINUTES**

The Board considered approval of the minutes of its meeting held on January 23, 2024. 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. Watson presented to and reviewed with the Board the Bookkeeper's Report dated February 27, 2024, including a Quarterly Investment Inventory Report for the period ended September 30, 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, 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.

Director Marken and Mr. Schroeder each entered the meeting during the above discussion.

### **STATUS OF CONTINUING DISCLOSURE REPORT**

Ms. Henderson advised the Board that the annual continuing disclosure report, due March 30, 2024, will be filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel.

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

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report prepared by Bob Leared Interests, Inc. dated January 31, 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.

### **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 updated the list of businesses located within the District's SPA boundaries and submitted same to the COH on January 23, 2024, prior to the January 29, 2024 deadline for same.

### **DELINQUENT TAX REPORT**

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated January 23, 2024, 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 C**. Ms. Scott reported that, in the time since the Report was originally presented to the Board at last month's meeting, delinquent account No. 1, in the total base amount of \$58,732.39, has been paid in full. Ms. Henderson then advised the Board that Perdue recommends filing suit against delinquent account nos. 3 and 5, in the total base amounts of \$2,325.13 and \$1,681.50, respectively, and inquired whether the Board wishes for Perdue to proceed. After discussion, Director Marken moved that Perdue be authorized to file suit against delinquent account no. 3 and 5, as detailed in the Delinquent Tax Report dated January 23, 2024. Director Piper seconded the motion, which unanimously carried.

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

Mr. Schroeder next presented to and reviewed with the Board a D&D Report dated February 27, 2024, prepared by Champions for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit D**. In connection therewith, he noted

the considerable deterioration of a portion of Little Prong Creek at Fry Road, which was previously repaired by Double Oak Erosion ("Double Oak") utilizing the SOX erosion repair system, as depicted in the D&D Report. Mr. Safe advised the Board that BGE has been in contact with Double Oak regarding repair and rehabilitation of the area. He then summarized such discussions for the Board, noting that Double Oak has indicated that it believes it has identified the underlying reason for the repeated failure of the SOX erosion repair system in the particular area in question and also that Double Oak would prefer to postpone repairing the area until slightly later in the year, when weather conditions may be more favorable.

### **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 February 27, 2024, a copy of which is attached hereto as **Exhibit E**, regarding the status of the District's website and customer messaging system. Ms. Hartwell next proposed that an article prepared by Touchstone titled "Not So Flushable Wipes" be posted to the District's website. The Board concurred with Ms. Hartwell's proposal and requested that she coordinate with MOC to obtain photographs to illustrate said article and communicate with the Board's Communications Committee for final approval of same prior to posting.

### **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 January 2024 from the FBCCO (the "FBCCO Report"), a copy of which is attached hereto as **Exhibit F**. 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 G**, for January 2024 prepared by MOC. In connection therewith, he reported that the District had 102% water accountability for the reporting period.

Mr. Arrant next discussed the proposed rehabilitation of Water Well No. 1 at the Joint Water Plant (the "WW No. 1 Rehabilitation Project") with the Board, including certain issues to be addressed relative to overhead District power lines in the vicinity of Water Well No. 1. After reviewing the various available options MOC and BGE considered to address certain safety concerns while maintaining power at said Water Plant throughout the duration of the WW No. 1 Rehabilitation Project, Mr. Arrant reported that, upon consultation with Director Haehnel, MOC obtained and installed insulating power line covers at the site for the total estimated cost of \$25,000.

With regard to the sanitary sewer line blockage within the District, which occurred on January 9, 2024, Mr. Arrant reported that the post-blockage televised inspection identified a sag in the line near the dropshaft connection to the manhole. He advised the Board that BGE and MOC recommend that the deficient portion of the sanitary sewer line be removed and a new line installed to tie into the manhole at a lower drop connection point rather than performing maintenance jetting on the line every three to six months in an attempt to avoid another blockage. After discussion, the Board requested that BGE prepare a cost estimate for the proposed project for the Board's consideration at its meeting in March.

Ms. Henderson next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") and Water Conservation Plan ("WCP") not later than May 1, 2024, and every five years thereafter. She requested that the Board consider authorizing BGE and MOC to review the District's DCP and WCP for any required updates. After discussion, Director Piper moved that (i) prior authorization for MOC to obtain and install power line covers at the Joint Water Plant be ratified in all respects; and (ii) BGE and MOC be authorized to review the District's DCP and WCP for any required updates. 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 February 27, 2024, a copy of which is attached hereto as **Exhibit H**, relative to the status of various engineering and construction projects within the District, and discussed the matters contained therein. After discussion, it was noted that no action was required by the Board in connection with the Engineer's Report at this time.

### **ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board next considered the review of an annual survey of prevailing wage rate scales for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Henderson reported that SPH is recommending that the District continue to adopt the wage rate scales as determined by the United States Department of Labor ("DOL") for Fort Bend County (the "County"). After discussion on the matter, Director Piper moved that the DOL wage rate scales for the County be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which Resolution is attached hereto as **Exhibit I**, be adopted by the Board. Director Marken seconded said motion, which unanimously carried.

### **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR**

Ms. Henderson advised the Board that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. She then presented to and

reviewed with the Board a worksheet completed by BGE to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year, attached hereto as **Exhibit J**, determining that the District shall not be considered a Developed District. Following discussion, upon motion made by Director Piper, seconded by Director Marken and unanimously carried, the attached Resolution was adopted by the Board.

#### **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 share of the WW No. 1 Rehabilitation 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 K**. Following discussion, it was moved by Director Hajovsky, seconded by Director Piper and unanimously carried, that the Board adopt the Surplus Funds Resolution authorizing the use of \$10,542.97 of the District's surplus construction funds to pay for a portion of the cost of the WW No. 1 Rehabilitation Project.

#### **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 Hickory Creek recently provided the District with a copy of Flock's invoice in the amount of \$16,000 for the fourth year of the Flock Agreement and requested that the District reimburse Hickory Creek for payment of same. After discussion, the Board requested that MAC prepare a reimbursement check payable to Hickory Creek for approval at the next Board meeting.

#### **RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board deferred consideration of an insurance proposal in connection with the renewal of the District's insurance coverages that expire March 31, 2024, after Ms. Henderson reported that such proposal has not yet been received.

#### **SUPPLEMENTAL AGENDA**

The Board considered cancellation of the Directors Election called for May 4, 2024. Ms. Henderson advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In that regard, there was presented to the Board a certificate of the Secretary declaring all

candidates unopposed. Ms. Henderson then presented to and reviewed with the Board the Order Declaring Candidates Elected, attached hereto as **Exhibit L**. After discussion, it was moved by Director Marken, seconded by Director Torres and unanimously carried, that the Order be adopted by the Board declaring Billy Haehnel and Sean Piper elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled.

**ATTORNEY'S REPORT**

The Board considered the Attorney's Report. In that regard, Ms. Henderson advised the Board that that she had nothing further to report to the Board other than the items previously discussed.

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



  
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*Abst.* Secretary, Board of Directors

TABLE OF EXHIBITS

February 27, 2024

- Exhibit A: Bookkeeper's Report
- Exhibit B: Tax Assessor-Collector Report
- Exhibit C: Delinquent Tax Report
- Exhibit D: Detention and Drainage Facilities Report
- Exhibit E: Communications Report
- Exhibit F: FBCCO Report
- Exhibit G: Monthly Operations Report
- Exhibit H: Engineer's Report
- Exhibit I: Resolution Adopting Prevailing Wage Rate Scale
- Exhibit J: Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit K: Surplus Funds Resolution
- Exhibit L: Order Declaring Candidates Elected