

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

Minutes of Meeting of Board of Directors

January 24, 2023

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 January 24, 2023, 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 for Director Marken, thus constituting a quorum. Director Marken entered after the meeting had been 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"); Sherri Greenwood of FORVIS, LLP ("FORVIS"), who entered the meeting after it had been called to order as noted herein; Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Justin Klump of Storm Water Solutions, LLC ("SWS"); 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. The Board deferred consideration of comments from the public as no comments were offered.

APPROVE MINUTES

The Board considered approval of the minutes of its meeting held on December 20, 2022. After discussion, Director Torres 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 January 24, 2023, a copy of which is attached hereto as **Exhibit A**. After discussion, Director Marken moved that the Bookkeeper's Report be approved and that the disbursements identified therein be

approved for payment. Piper Marken seconded said motion, which unanimously carried.

Ms. Greenwood and Director Marken entered during the above discussion.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Scott next presented to and reviewed with the Board the Tax Assessor-Collector's Report dated December 31, 2022, a copy of which is attached hereto as **Exhibit B**. After discussion, Director Marken moved that the Tax Assessor-Collector Report be approved and the disbursements identified therein be approved for payment. Director Torres 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 timely submitted an updated list of businesses located within the District's SPA boundaries to the COH on January 24, 2023.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated January 24, 2023, 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**. The Board noted that there were no action items contained in the report. Following discussion, Directors Haehnel and Torres requested additional information regarding the proposed tax sale described in the Report. Ms. Henderson advised she would request such additional information from Perdue.

AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

The Board next reviewed and considered approval of the District's audit report for the fiscal year ended September 30, 2022. 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 D**. 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, 2022, 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").

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report, due March 30, 2023, will be filed by the District's disclosure counsel after the audit has been finalized.

CHAMPIONS REPORT – MAINTENANCE OPERATIONS AT LITTLE PRONG CREEK

Mr. Schroeder next presented to and reviewed with the Board a Detention and Drainage Facilities Report ("D&D Report") dated January 24, 2023, prepared by Champions, for Little Prong Creek and corresponding photographs, 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 D&D Report at this time.

STORMWATER MANAGEMENT PROGRAM ("SWMP")

The Board considered the status of the District's SWMP. In that regard, Mr. Klump presented to and reviewed with the Board the Year 4 Annual Report for the District's SWMP (the "Annual Report") and a summary of the Year 5 training and goals under same ("Training Summary"), copies of which are attached hereto as **Exhibit F**. He next presented a utility bill insert regarding stormwater runoff and prevention of stormwater pollution, a copy of which is included in **Exhibit F**, which is to be included in upcoming water bills to the District's customers. The Board requested that SWS provide a digital copy of said utility bill insert for posting on the District's website. After discussion, Director Hajovsky moved that: (i) the Annual Report be approved as presented, and that the President be authorized to execute same on behalf of the Board and the District; and (ii) the utility bill insert be approved, subject to revision as discussed above. Director Piper seconded the motion, which carried unanimously. The Board requested that a copy of the utility bill insert be included on the District's website.

Mr. Klump next began his training session with the Board and other District consultants. The topic of the Year 5 training being stormwater pollution prevention, the minimum control measures required and bacteria-specific elements. Mr. Klump explained the importance of keeping household hazardous waste, pet waste, and yard waste out of the storm sewers, to prevent adding to bacterial impairment. He then continued with the training, thoroughly explaining the sources of bacteria and outlining the program elements of the SWMP that deal with these sources.

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 January 24, 2023, a copy of which is attached hereto as **Exhibit G**, regarding the status of the District's website and customer messaging system. Upon Director Piper's request, Ms. Hartwell stated that Touchstone will work with MOC to include contact information on the District's website for the appropriate entities and/or representatives to notify regarding water leaks and streetlight outages within the District. After further discussion, the Board noted that no action was necessary on its part in connection with the Communications Report at this time.

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

Ms. Henderson next presented to the Board a Monthly Contract Deputy Activity Report for the month of December 2022 from the FBCCO (the "FBCCO Report"), a copy of which is attached hereto as **Exhibit H**. It was noted that no action was required by the Board in connection with the FBCCO Report at this time. The Board requested Seven Meadows Community Association, Inc. obtain a copy of the schedule for the deputies patrolling the area within the District.

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 I**, for December 2022 prepared by MOC. In connection therewith, he reported that the District had 93% water accountability for the reporting period. Mr. Arrant next reported that Phase 1 of 5 (Schedule A) of District's 5-year annual sanitary sewer televising program has been completed and advised that MOC and BGE are in the processing of analyzing the results of same.

With regard to the implementation of Accurate Meter & Supply, LLC's ("AMS") four (4) month wireless meter pilot program, Mr. Arrant reported that AMS advised MOC that a representative intends to contact pilot program participants in the near future to provide information and training regarding use of the Badger E-Series wireless electronic water meters recently installed at their residences as well as the software used to monitor said meters.

Mr. Arrant next reported that, just prior to the recent freeze event, the emergency generator located at the Wastewater Treatment Plant malfunctioned. MOC's assessment, he advised, is that the electronic control unit is impaired and stated that various technicians have inspected the generator equipment but have not yet recommended a solution. Mr. Arrant noted that a portable emergency generator is currently installed at the WWTP pending repair of the malfunctioning generator. He advised that he will present the Board with additional information at next month's Board meeting.

Mr. Arrant next requested that the Board authorize MOC to provide required information to districts that received water from the District during 2022 prior to the April 1, 2023 deadline, in connection with preparation of Consumer Confidence Reports. Following discussion, Director Torres moved that MOC be authorized to provide the necessary information to districts that received water from the District during 2022 prior to the April 1, 2023 deadline. Director Piper seconded the motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Safe presented to and reviewed with the Board a written Engineer's Report, dated January 24, 2023, a copy of which is attached hereto as **Exhibit J**, 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.

UTILITY COMMITMENT REQUESTS

The Board deferred consideration of requests for Utility Commitments after noting that no new requests were received.

ADOPTION OF RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Ms. Henderson advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. Ms. Henderson then presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted to the list previously adopted by the Board, which are attached hereto as **Exhibit K**. Ms. Henderson further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Hajovsky moved that (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved by the Board and the District, and (ii) the President and Secretary be authorized to execute same. Director Piper seconded said motion, which unanimously carried.

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 2023, 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 2023, 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 Hajovsky moved that the District (a) not grant a residential homestead exemption, and (b) grant an exemption of \$30,000 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 2023, and that the Resolution, attached hereto as **Exhibit L**, relative to same be passed and adopted by the Board and District. Director Marken 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. 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 Torres, seconded by Director Marken and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes attached hereto as **Exhibit M** be adopted by the Board, and that Perdue be authorized to collect delinquent personal property taxes beginning April 1, 2023, including the filing of lawsuits, if necessary.

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 2023 reporting period. After discussion on the matter, it was moved by Director Piper, seconded by Director Torres and unanimously carried, that FORVIS be authorized to prepare the required information for the 2023 reporting period and submit same to the Comptroller for inclusion in the Special Purpose District Information Database no later than April 1, 2023.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed obtaining insurance proposals for the 2023-2024 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, 2023. 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, 2023. Director Marken seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. In connection therewith, Ms. Henderson advised 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 Piper moved that the meeting be adjourned. Director Marken seconded said motion, which unanimously carried.

(SEAL)


Assistant Secretary, Board of Directors



TABLE OF EXHIBITS

January 24, 2023

Exhibit A:	Bookkeeper's Report
Exhibit B:	Tax Assessor-Collector Report
Exhibit C:	Delinquent Tax Report
Exhibit D:	Draft Audit Report; draft Management Letter and management's response
Exhibit E:	Detention and Drainage Facilities Report
Exhibit F:	SWMP Annual Report and Training Summary; utility bill insert
Exhibit G:	Communications Report
Exhibit H:	FBCCO Report
Exhibit I:	Monthly Operations Report
Exhibit J:	Engineer's Report
Exhibit K:	Resolution Adopting List of Qualified Brokers
Exhibit L:	Resolution Concerning Exemptions from Taxation
Exhibit M:	Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes