

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

Minutes of Meeting of Board of Directors

February 28, 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 February 28, 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 Directors Torres and Piper, thus constituting a quorum.

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 the meeting after it had been called to order as noted herein; Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); Lieutenant Holtz of the Fort Bend County Constable's Office, Precinct No. 1 ("FBCCO"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Nate Jackson 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 January 24, 2023. After discussion, Director Marken 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 February 28, 2023, including a Quarterly Investment Inventory Report for the period ended December 31, 2022, 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 nos. 10445 and 10446, which were 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 Marken 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 dated January 31, 2023, 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 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.

STATUS OF CONTINUING DISCLOSURE REPORT

Ms. Henderson advised the Board that the annual continuing disclosure report, due March 30, 2023, will be filed by McCall, Parkhurst & Horton, L.L.P., the District's disclosure counsel.

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. Hartwell next presented to and reviewed with the Board a Monthly Communications Report prepared by Touchstone dated February 28, 2023, a copy of which is attached hereto as **Exhibit C**, regarding the status of the District's website and customer messaging system. After discussion, the Board noted that no action was necessary on its part in connection with the Communications Report at this time.

RECEIVE FBCCO ACTIVITY REPORTS

Lt. Holtz next presented to the Board a Monthly Contract Deputy Activity Report for the month of January 2023 from the FBCCO (the "FBCCO Report"), a copy of which is attached hereto as **Exhibit D**. He advised the Board that the FBCCO is still working to fill the night shift, which has been vacant for several months. Ms. Henderson next presented email correspondence dated January 30, 2023 from Seven Meadows Community Association, Inc. providing the current deputy shift schedule, a copy of which is included with **Exhibit D**. Lt. Holtz then responded to various questions from the Board regarding the vacant position. 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 E**, for January 2023 prepared by MOC. In connection therewith, he reported that the District had 97% water accountability for the reporting period. He also presented a list of one (1) delinquent account in the amount of \$214.92 to be moved to the uncollectible roll. After discussion, it was moved by Director Marken, seconded by Director Hajovsky and unanimously carried, that MOC be authorized to move one (1) account in the amount of \$214.92 to the uncollectible roll, as reflected in the O&M Report.

In connection with Phase 1 of 5 (Schedule A) of District's 5-year annual sanitary sewer televising program, Mr. Arrant next reported that MOC and BGE have reviewed the results and identified a few minor point repairs to be addressed but found no major issues requiring attention. Upon Director Hajovsky's request, Mr. Arrant advised that MOC will prepare a summary of the required point repairs together with a rough estimate of costs for same which he will send to the Board for review prior to its next meeting.

The Board next considered the status of implementation of Accurate Meter & Supply, LLC's ("AMS") four (4) month wireless meter pilot program. It was noted that none of the Directors participating in the program have yet been contacted by AMS nor have they received any information and/or training materials relative to 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 advised that AMS informed him all customers that are participating in the pilot program were contacted by AMS in the middle of February and that he will follow up with AMS regarding same.

With regard to the status of the District's participation in the North Fort Bend Water Authority ("NFBWA") 2023 Water Provider Conservation Program (the "2023 Program"), Mr. Arrant advised that MOC is in receipt of the enrollment forms for the 2023 Program and will complete and submit same to the NFBWA on behalf of the Board and the District prior to the deadline for same, as previously authorized by the Board.

Mr. Schroeder entered the meeting during the above discussion.

OPERATOR'S CHANGE IN ELECTRONIC PAYMENT PROGRAM VENDOR

Mr. Arrant advised the Board that MOC will be changing the vendors for its electronic payment program (currently T-Tech, Inc. for electronic check payments and Global Payments Direct, Inc. et. al. (collectively, "GPD") for credit card payments) to JP Morgan Chase Bank, N.A. through its subsidiary Paymentech, LLC (collectively, "Paymentech"). He noted that, as part of this process, the District's current agreements with T-Tech Inc. and GPD will be terminated, a new Merchant Services Processing Agreement will be entered into with Paymentech and an Addendum to Professional Services Agreement (the "Addendum") will be entered into between MOC and the District, whereby MOC will assume certain District obligations under the program and responsibility for the program's compliance with applicable rules and regulations. Ms. Henderson stated that SPH has reviewed the form of the Merchant

Services Processing Agreement, which includes amended terms for the District, and the Addendum and have no objection to the form of same. Following discussion, it was moved by Director Hajovsky, seconded by Director Marken and unanimously carried, that the following actions be taken: (i) MOC be authorized to terminate the existing Service Agreement with T-Tech Inc. and Card Services Agreement and related Addendum with GPD on behalf of District; (ii) the Merchant Services Processing Agreement and related Attestation and Amendment of Agreement and ECP Addendum Terms with Paymentech be approved; (iii) the Addendum with MOC be approved; (iv) SPH be authorized to acknowledge the Texas Ethics Commission ("TEC") Form 1295 related to the Addendum; and (v) the President or Vice-President, and the Secretary or Assistant Secretary, be authorized to execute the required program documentation on behalf of the District.

Upon the Board's request, Ms. Hartwell stated that Touchstone will work with MOC to include information on the District's website and to send out a text notification to District customers regarding the change in electronic payment processing services for the District.

ENGINEER'S REPORT

Mr. Jackson presented to and reviewed with the Board a written Engineer's Report, dated February 28, 2023, a copy of which is attached hereto as **Exhibit F**, 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 Marken 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 G**, be adopted by the Board. Director Hajovsky seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2023 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 2023 Tax Year, attached hereto as **Exhibit H**, determining that the District shall not be considered a

Developed District. Following discussion, upon motion made by Director Hajovsky, seconded by Director Marken and unanimously carried, the attached Resolution was adopted by the Board.

UTILITY COMMITMENT REQUESTS

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

REVIEW AND APPROVAL OF PROPOSAL FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board discussed the District's insurance coverages scheduled to expire on March 31, 2023. In that regard, Ms. Henderson presented to and reviewed with the Board a renewal insurance proposal for the 2023-2024 policy term, which was received from the District's current insurance carrier, Arthur J. Gallagher & Co. ("AJG"). After discussion, Director Hajovsky moved that the Board accept the proposal from AJG for all policies as set forth in the proposal attached hereto as **Exhibit I**. Director Marken seconded the motion, which carried unanimously.

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 February 28, 2023, prepared by Champions, for Little Prong Creek and corresponding photographs, a copy of which is attached hereto as **Exhibit J**. It was noted that no action was required by the Board in connection with the D&D Report at this time.

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. In that regard, Mr. Watson advised that MAC is ready to move forward with transitioning to direct deposit for director per diems, expense reimbursements, and payroll tax payment and reporting services through HR&P, Inc. for those districts that elect to utilize such service. Following discussion, the Board concurred that would be willing to consider such services and requested that items concerning same be added to the agenda for the next Board meeting.

ADJOURNMENT OF MEETING

There being no further business to come before the Board, Director Marken moved that the meeting be adjourned. Director Hajovsky seconded said motion, which unanimously carried.

(SEAL)




Secretary, Board of Directors

TABLE OF EXHIBITS

February 28, 2023

Exhibit A:	Bookkeeper's Report
Exhibit B:	Tax Assessor-Collector Report
Exhibit C:	Communications Report
Exhibit D:	FBCCO Report
Exhibit E:	Monthly Operations Report
Exhibit F:	Engineer's Report
Exhibit G:	Resolution Adopting Prevailing Wage Rate Scale
Exhibit H:	Resolution Concerning Developed District Status for 2023 Tax Year
Exhibit I:	Insurance Renewal Proposal from Arthur J. Gallagher & Co.
Exhibit J:	Detention and Drainage Facilities Report