

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

January 26, 2016

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 2 (the "District") met in regular session, open to the public, on the 26th day of January, 2016, at Townewest Club House, 10322 Old Towne Lane, Sugar Land, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Lisa Dudley	President
Pam Kelley	Vice President
Terri Doyle	Secretary
Bernice Barclay	Assistant Vice President
Harry Dunham	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present for all or a portion of the meeting were Officer Scott Gill; Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Chad Abram of IDS Engineering Group ("IDS"); Christina Garcia of Myrtle Cruz, Inc.; Bryan Chapline, John McDonald, and Daniel Pineda of Municipal District Services LLC ("MDS"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); and Teshia N. Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Dudley opened the meeting for public comments. There being no public comments, Director Dudley closed the meeting to public comments.

CONSENT AGENDA

The minutes from the December 18, 2015, regular Board meeting, December 14, 2015, special Board meeting, and January 11, 2016, special Board meeting, and consultant reports were previously distributed. After discussion, Director Doyle moved to remove agenda item 2(b) from the consent agenda, to approve all remaining items on the consent agenda, and to direct that, where appropriate, items are filed and retained in the District's official records, including the following: (1) the minutes from the December 18, 2015, regular Board meeting, December 14, 2015, special Board meeting, and January 11, 2016, special Board meeting; (2) the engineer's report; (3) the operator's report; (4) accepting the disclosure statement from Mary Jarmon, as bookkeeper and investment officer; and (5) approve and authorize execution of the List of Local Government Officers pursuant to Chapter 176 of the Texas Local Government Code.

Director Kelley seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

#### ITEMS REMOVED FROM CONSENT AGENDA

##### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson presented and reviewed the tax assessor/collector's report, a copy of which is attached. He also discussed with the Board a tax bill for property on West Bellfort Drive owned by the District after foreclosure in 2000. He added that taxes in the amount of \$160.03 were owed on the property at the time the District foreclosed, and the tax bill is for the prorated amount of property taxes owed in 2000 by the previous owner since the District is exempt. Mr. Patterson presented options and recommendations regarding the tax bill. Discussion ensued.

Following review and discussion, Director Kelley moved to (1) approve the tax assessor/collector's report; and (2) authorize the District to pay \$160.03 for the taxes owed on the property owned by the District on West Bellfort Drive, as recommended by the tax assessor. Director Doyle seconded the motion, which passed unanimously.

##### SECURITY PATROL MATTERS

Officer Gill discussed security patrol matters included in the previously distributed Security Patrol Report, a copy of which is attached.

He informed the Board that the back tires were replaced on the Chevy Tahoe patrol vehicle. He also clarified that the Security Patrol Report mistakenly noted it was the front tires instead of the back tires.

Officer Gill next recommended changing the decal on the patrol vehicle from "Patrol" to "Police" and discussed examples from other communities. Discussion ensued.

After review and discussion, Director Kelley moved to authorize changing the decal on the Chevy Tahoe patrol vehicle from "Patrol" to "Police" at a cost not to exceed \$200, as recommended by Officer Gill. Director Doyle seconded the motion, which passed unanimously.

## ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on the 2014 Sanitary Sewer Rehabilitation project. He reported to the Board on the results of the pre-inspection of the remaining lines to be pipe burst along Spanish Grant, the Townewest Drainage Channel, and Townewest Boulevard and recommended to the Board that cure in place piping ("CIPP") be used on these lines. He further reported that he will prepare a change order reflecting this change to CIPP for T Construction to review and sign.

Mr. Abram updated the Board on drainage issues in the District.

Mr. Abram updated the Board on possible fencing along West Bellfort. He reported that he obtained a bid from Aber Fence Company for installing a concrete wall at a cost of approximately \$594,000. He added that there are additional costs not included in this estimate for items like survey work, permit drawings, or private utility conflict resolution. He further noted he will continue to investigate and report back to the Board with additional information.

The Board discussed street lights along West Bellfort and Burney Road. Following discussion, the Board concurred to have Mr. Abram contact Fort Bend Municipal Utility District No. 119 ("FB119") to determine if they would be interested in contributing to the cost of street lights on Burney Road within FB119.

Mr. Abram next discussed lining the drainage pipes under the roads in the District in an effort to lengthen the useful life of these pipes and reduce the likelihood of repair or replacement during that time. He informed the Board of the need to identify other areas in the District that have the same corrugated metal pipes under the roads so they can be lined. He added that this effort would be a capital improvement project payable from proceeds out of the last bond issue and that the project could be done in phases. He noted he is still investigating pricing for such a project.

Following discussion, Director Dudley moved to approve the engineer's report. Director Barclay seconded the motion, which passed unanimously.

Mr. Chapline introduced Mr. Pineda to the Board and then reviewed the list of equivalent single family connections ("ESFCs"), a copy of which is attached to the operator's report. Following discussion, Director Kelley moved to approve the list of ESFCs as discussed. Director Dudley seconded the motion, which passed unanimously.

The Board next discussed trimming the trees within the District. Following discussion, Director Dudley moved to approve trimming the trees with a utility cut as the District has done in the past and including only those affecting the street easements and not the parks. Director Barclay seconded the motion, which passed unanimously.

The Board discussed three trees on Forest Leaf Road that are located within the District's sanitary sewer easement that are damaging the District's sanitary sewer facilities. Discussion ensued regarding removing these three trees, repairing the damaged sanitary sewer manholes, and replacing the adjacent sidewalk.

Mr. Chapline updated the Board on installing the signs around the detention ponds and facilities in the District. He reported the proposal came in higher than expected. Discussion ensued regarding the various options available for the signs.

Mr. Chapline reviewed the list of additional repairs to certain storm sewer facilities, a copy of which is attached to the operator's report.

Mr. Chapline discussed adding a bill message regarding the e-waste recycling event to be held on March 19, 2016.

The Board discussed signs for the upcoming e-waste event.

Following review and discussion, Director Doyle moved to (1) authorize the removal of three trees within the District's sanitary sewer easement, repair of the damaged sanitary sewer manholes, replacement of the adjacent sidewalk, and notify adjacent residents by letter and door tag before work begins; (2) authorize the purchase of 12 signs around the detentions ponds and facilities in the District stating that there is no trespassing, no dumping, and no motorized vehicles allowed in the area at a cost of \$2,604; (3) authorize MDS to repair the storm sewer facilities as discussed; (4) approve the bill message as discussed; and (5) authorize the purchase of signs for the March 19, 2016, document shred and electronic recycling event, with Directors Doyle and Dudley as the Board representatives handling this matter. Director Kelley seconded the motion, which passed unanimously.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND CUSTOMER APPEALS

Mr. Chapline reviewed customer correspondence and discussed updates to the extensions and adjustments approved by MDS since the last Board meeting and reviewed accounts recommended for write-off as listed in the operator's report.

Following review and discussion, Director Doyle moved to approve the extensions, adjustments, and write-off accounts as recommended by MDS. Director Kelley seconded the motion, which passed unanimously. Copies of the lists for extensions, adjustments, and write-offs are included in the operator's report.

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Mr. Chapline reported that the residents on the delinquent list were mailed written notice prior to this meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board to explain, contest,

or correct the nonpayment of their utility service bill, and to show reason why utility service should not be terminated for reason of nonpayment. After review and discussion, Director Doyle moved to authorize that service to the customers on the termination list with accounts remaining unpaid and who were not present at the meeting and had not presented any written statement on the matter be terminated in accordance with the District's Rate Order, except for accounts in amounts below \$30.00. Director Kelley seconded the motion, which passed unanimously. A copy of the termination list is included in the report.

#### DETENTION AND DRAINAGE FACILITIES AND LANDSCAPING REPORT FROM CHAMPIONS HYDRO-LAWN, INC., PROJECTS, AND RELATED AGREEMENTS

Mr. Schroeder reviewed a Detention and Drainage Facilities Report, a copy of which is attached. He reported to the Board on a possible issue with the slope on the Townewest channels that he will continue to monitor. He also discussed ruts in the slope of the channel near Old Towne Lane. During discussion of the recently installed sidewalks along Townewest Boulevard, Mr. Abram requested Champions not, to the extent possible, drive across sidewalks with equipment.

Following review and discussion, Director Barclay moved to (1) approve the detention and drainage facilities and landscaping report; and (2) authorize Champions to further investigate the slope on the Townewest channels to determine if further action is necessary. Director Doyle seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia presented and reviewed the bookkeeper's report, a copy of which is attached, including the District's bills and investment report. She reported to the Board that she does not recommend amending the budget at this time. Following review and discussion, Director Dudley moved to approve the bookkeeper's report, including payment of the bills. Director Kelley seconded the motion, which was approved by unanimous vote.

#### AMEND RATE ORDER

There was no discussion on this agenda item.

#### NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS, INCLUDING APPROVE COMPLETION AND SUBMITTAL OF WATER USAGE REPORTING FORM

The Board discussed the Water Usage Reporting Form. After discussion, Director Dudley moved to authorize MDS to file the Water Usage Reporting Form with the NFBWA. Director Dunham seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board concurred no reorganization of the Board was needed. Following discussion, Director Dunham moved that the Board authorize execution of the District Registration Form. Director Doyle seconded the motion, which carried unanimously.

2016 DIRECTORS ELECTION

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2016 BOARD OF DIRECTORS ELECTION PERIOD

Ms. Judkins discussed procedures related to the 2016 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2016 Directors Election Period. Following review and discussion, Director Dudley moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2016 Directors Election Period appointing Merry Heyne as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Doyle seconded the motion, which was approved by unanimous vote.

AUTHORIZE NOTICE OF DEADLINE TO FILE APPLICATIONS FOR PLACE ON THE BALLOT

Ms. Judkins reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2016 Directors Election. Following discussion, Director Dudley moved to authorize the Secretary's agent to post the notice as required. Director Doyle seconded the motion, which was approved by unanimous vote.

APPROVE CONTRACT FOR ELECTION SERVICES WITH FORT BEND COUNTY

Ms. Judkins stated that the District may contract with Fort Bend County (the "County") to conduct the District's 2016 Directors Election. After discussion, Director Dudley moved to contract with the County to administer the District's election. Director Doyle seconded the motion, which was approved by unanimous vote.

CONSIDER USE OF ELECTRONIC VOTING SYSTEM AND AUTHORIZE NOTICE OF EXEMPTION

Ms. Judkins discussed exemptions from using electronic voting systems during the 2016 Directors Election and stated that the basis of the District's exemption is that

less than 250 voters voted at the District's most recent Directors Election. Following discussion, Director Dudley moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Doyle seconded the motion.

#### SET PAY FOR ELECTION OFFICIALS

Ms. Judkins then discussed pay for election officials during the 2016 Directors Election, in the event that the County does not have an independent pay scale for election officials. Following discussion, Director Dudley moved to set the pay for election officials at \$15.00 per hour, in the event that the County does not have an independent pay scale for election officials. Director Doyle seconded the motion, which passed unanimously.

#### ADOPT ORDER CALLING DIRECTORS ELECTION

Ms. Judkins discussed procedures related to the 2016 Directors Election. She reviewed an Order Calling Directors Election. Following review and discussion, Director Dudley moved to adopt the Order Calling Directors Election. Director Doyle seconded the motion, which passed unanimously.

#### AUTHORIZE NOTICE OF ELECTION

Ms. Judkins discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County. Following review and discussion, Director Dudley moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Doyle seconded the motion, which passed unanimously.

#### CORRESPONDENCE RECEIVED BY THE DISTRICT, DIRECTORS OR CONSULTANTS, AND REPORTS ON DISTRICT BUSINESS AND OPERATIONS

The Directors discussed the upcoming document shred and electronic recycling event to be held on March 19, 2016, from 11:00 a.m. to 1:00 p.m. The Board concurred that Directors Dudley and Doyle will be the Board representatives in charge of the event.

#### DISTRICT WEBSITE MATTERS

Director Dudley reported on the website class that she attended at the winter Association of Water Board Directors conference.

ANNUAL REVIEW OF CONSULTANT CONTRACTS, INCLUDING REQUESTS FOR PROPOSALS

There was no discussion on this agenda item.

Director Barclay left the meeting.

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Judkins reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action or updates are required at this time.

IMPLEMENTATION OF HOUSE BILL 1295

Ms. Judkins presented and reviewed a memorandum from ABHR regarding implementation of House Bill 1295 that was passed by the Texas Legislature during the 84<sup>th</sup> Legislative Session, which enacted Section 2252.908, Government Code, imposing new requirements for any new, amended, extended or renewed contracts entered into by governmental entities on or after January 1, 2016. A copy of the memorandum is attached. Ms. Judkins stated that business entities must file a FORM 1295 with the Texas Ethics Commission and disclose certain interested parties, intermediaries, and controlling interests when seeking any contract that is in excess of \$1 million or requires an action or vote by the governing body before a governmental entity may enter into a contract. She discussed FORM 1295 promulgated by the Texas Ethics Commission for a business entity to complete, execute and notarize, and provide to the governmental entity at or in advance of the meeting at which the related contract may be considered.

CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session pursuant to Section 551.072, Texas Government Code.

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The Board did not convene in executive session pursuant to Section 551.071, Texas Government Code.

CORRESPONDENCE RECEIVED BY THE DISTRICT, DIRECTORS OR CONSULTANTS, AND REPORTS ON DISTRICT BUSINESS AND OPERATIONS (CONTINUED)

The Board discussed the proposal received from Riverway Estates Homeowners

Association (the "HOA") asking the District to contribute funds for a playground that the HOA will design, construct, own, and operate. Following discussion, the Board concurred to have Ms. Judkins prepare a letter to the HOA informing them that the District is considering the proposal but requests additional information and would require certain terms and conditions should the District decide to contribute to the project.

The Board discussed that the Directors will no longer be able to sign up late for an AWBD conference, and that Directors will now have to register themselves. Following discussion, Director Dudley moved to approve that the Directors will no longer be able to sign up late for an AWBD conference, and that Directors will now have to register themselves. Director Kelley seconded the motion, which passed unanimously, with Director Barclay being absent.

There being no further business to come before the Board, the meeting was adjourned by agreement.

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Secretary, Board of Directors

(SEAL)

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