

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

February 23, 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 23rd day of February, 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 Alan Sandersen of Sandersen, Knox & Co.; Officers Calvin Johnson and Scott Gill; Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Chad Abram of IDS Engineering Group ("IDS"); Christina Garcia of Myrtle Cruz, Inc.; Rebecca Marcucci of Municipal District Services LLC ("MDS"); Rhonda Rushton 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 January 26, 2016, regular Board meeting and consultant reports were previously distributed. After discussion, Director Doyle moved to approve all 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 January 26, 2016, regular Board meeting; (2) the tax assessor/collector's report; (3) the engineer's report; (4) the operator's report; and (5) authorize attendance at the Association of Water Board Directors ("AWBD") summer conference. Director Kelley seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

SECURITY PATROL MATTERS

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

Officer Gill informed the Board the decal on the patrol vehicle has been changed from "Patrol" to "Police".

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.

The Board discussed the property at 13413 Florence Road where a developer is planning a small office warehouse. Following discussion, the Board concurred to have Mr. Abram contact the developer's engineer about coordinating with Mr. Schroeder and Mr. Abram on a solution to the gravel and materials that are encroaching onto District property.

Mr. Schroeder updated the Board on the issue with the Townewest channels. He also discussed ruts and back slope swale issues on these channels. He reported the two main areas of damage were at the south top between Townewest Boulevard and Spanish Grant Drive and the south top between Old Towne Lane and Old Richmond Road and noted slope and toe damage near storm sewer outfall no. 13 and a pipe that need replacement at storm sewer outfall no. 17. It was noted that CenterPoint is supposed to return and fix the damages it caused in several areas but it was uncertain when CenterPoint would do so. Discussion ensued. The Board concurred to have Mr. Abram follow up with Cody Kalkomey at Fort Bend County Drainage District about taking care of the channels.

Mr. Schroeder noted that Champions has not yet begun the project to repair the three storm sewer outfalls due to recent rains. Discussion ensued regarding the project. During the project, the operator will notify those homes where the fence must be removed and replaced by placing a tag on the door in advance of such work. The Board also discussed the intersection of Belknap Road and Old Richmond Road where water flow in the channel on the east and west sides has been undermining the concrete apron, and to the east of Belknap Road where the channel has slope and toe issues in 90 degree bends.

Following review and discussion, Director Doyle moved to approve the detention and drainage facilities and landscaping report. Director Kelley seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR ENDING OCTOBER 31, 2015

Mr. Sandersen presented and reviewed the District's audit for the fiscal year ending October 31, 2015, and the related management and representation letters. After review and discussion, Director Doyle moved to approve the audit, subject to final review, and to direct that the audit be filed appropriately and retained in the District's official records. Director Barclay seconded the motion, which passed by unanimous vote.

SECURITY PATROL MATTERS (CONTINUED)

The Board reviewed and discussed revisions to the draft of the District Bulletin with Officer Johnson. The Board also discussed with Officer Johnson the upcoming document shred and electronics recycling event to be held on March 19, 2016.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on the 2014 Sanitary Sewer Rehabilitation project (the "project"). He recommended the Board approve Pay Estimate No. 6 in the amount of \$31,984.20, and Change Order No. 1 in the negative amount of \$235,240.50, to T Construction, for the project. The Board discussed an area in the District where T Construction used cure in place piping ("CIPP") instead of pipe bursting without prior authorization. The Board then discussed additional segments where T Construction may request that CIPP be used. The Board concurred to have Mr. Abram discuss these segments with T Construction to determine whether they should be televised and whether they should be CIPPed or pipe burst.

Mr. Abram updated the Board on the MS4 Phase II Storm Water Management Plan. He requested approval of the Year 2 Report that will be submitted to the Texas Commission on Environmental Quality ("TCEQ") by March 13, 2016.

Mr. Abram discussed with the Board a drainage issues in the District on Vine River Road. He also discussed other drainage issues in the District. The Board requested that Messrs. Abram and Schroeder coordinate the timing of planned repairs to the three storm sewer outfalls to minimize rework in light of possible design changes based on Mr. Abram's analysis of drainage issues in the area. Mr. Schroeder agreed to continue to defer initiating impacted project work until receiving input from Mr. Abram.

Mr. Abram updated the Board on the possible street lights along West Bellfort and Burney Road. He reported that he is still waiting to hear back from John Hanley of CenterPoint Energy.

Mr. Abram updated the Board on possible fencing along West Bellfort. He presented and reviewed a proposal for survey work in the amount of \$18,200. Following discussion, the Board concurred to not authorize the survey work at this time.

Mr. Abram presented and reviewed with the Board a 0.0023-acre water line and meter easement from a property owner to the District.

Mr. Abram updated the Board on the Shiloh Mega Parish project at Clark Towne Lane and Belknap. He informed the Board that he recently received the plans and will be reviewing them and providing comments.

After discussion of the County's speed limit on West Bellfort, Director Dunham requested that Mr. Abram look into getting the County to similarly lower the speed limit on Florence Road to 35 miles per hour.

Following review and discussion, Director Kelley moved to (1) approve Pay Estimate No. 6 for the project in the amount of \$31,984.20, as recommended; (2) approve Change Order No. 1 for the project in the negative amount of \$235,240.50, as recommended; (3) approve the Year 2 Report for the MS4 Phase II Storm Water Management Plan and authorize Mr. Abram to submit the Year 2 Report to the TCEQ; and (4) accept and authorize execution of the water line and meter easement. Director Doyle seconded the motion, which passed unanimously.

Ms. Marcucci presented and reviewed a proposal from Practical Tree Trimming for removing approximately 25 hackberry trees along Old Richmond at Panhandle in the amount of \$10,120. She noted that the trees will be cut down but the trunks will not be ground. Ms. Marcucci noted an additional cost of approximately \$500 for the chemicals needed to kill the trees. Discussion ensued.

Ms. Marcucci discussed adding a bill message regarding planned water line flushing in the District.

Ms. Marcucci presented and reviewed a proposal for phase VI storm sewer inlet, manhole, and sidewalk repairs in the amount of \$39,686.

Ms. Marcucci informed the Board that the North Fort Bend Water Authority ("NFBWA"), due to its own issues, is currently not providing surface water to the District. She added that Fort Bend Municipal Utility District No. 119 will need to go on interconnect with the District starting tomorrow because of this unexpected interruption in service from the NFBWA.

Following review and discussion, Director Doyle moved to (1) approve the bill message as discussed; (2) authorize the removal of approximately 25 hackberry trees

along Old Richmond at Panhandle by Practical Tree Trimming at a cost of \$10,120, plus no more than \$500 for chemicals needed to kill the trees; and (3) authorize MDS to perform the phase VI storm sewer inlet, manhole, and sidewalk repairs in the amount of \$39,686. Director Dunham seconded the motion, which passed unanimously.

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

Ms. Marcucci 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.

Discussion ensued regarding a homeowner at 10410 Overview Drive who is requesting an extension until this evening to pay his water bill.

Following review and discussion, Director Doyle moved to approve the extensions, adjustments, and write-off accounts as recommended by MDS. Director Dunham 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. Ms. Marcucci 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 Dunham seconded the motion, which passed unanimously. A copy of the termination list is included in the report.

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. Following review and discussion, Director Barclay 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.

DISTRICT WEBSITE MATTERS

Director Dudley reported that the District website is up to date.

ANNUAL REVIEW OF CONSULTANT CONTRACTS, INCLUDING REQUESTS FOR PROPOSALS

There was no discussion on this agenda item.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

Ms. Judkins updated the Board on the request to the District from Riverway Estates Community Association, Inc. to share in the cost of constructing a playground at the park located on Glenholly Park Drive. She reported that Joanna Figueroa informed her that they received the District's letter requesting additional information and will get back with the District soon.

CONVENE IN EXECUTIVE SESSION

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

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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 Directors reviewed a draft of the District Bulletin and discussed revisions. Following review and discussion, Director Barclay moved to approve the Bulletin, subject to making the revisions as discussed, and authorize the mail out of the Bulletin to the District residents. Director Kelley seconded the motion, which passed unanimously.

Directors Dudley and Dunham reported to the Board that they drove around Townewest viewing District facilities, and noted possible repairs and improvements to adjacent sidewalks.

Discussion ensued regarding Director Doyle following up with Tara Klein regarding landscape architectural services in the District.

Discussion ensued regarding the cleaning and mowing that needs to be done on the land located at Townewest Boulevard and Belknap.

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

Secretary, Board of Directors

(SEAL)

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