

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

March 22, 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 22nd day of March, 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 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"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); Tara Klein of Four & One Landscape Architecture; Michael Akaya, a resident of the District; 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 February 23, 2016, regular Board meeting, and February 23, 2016, special Board meeting, and consultant reports were previously distributed. After discussion, Director Dudley moved to remove agenda item 2(b) from the consent agenda, to acknowledge, after annual review of the District's Drought Contingency Plan (the "Plan"), that there are no recommended revisions to the Plan, and 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 February 23, 2016, regular Board meeting, and February 23, 2016, special Board meeting; (2) a Resolution Concerning Exemptions from Taxation reflecting that the Board of Directors grants a \$20,000.00 homestead exemption for

disabled persons or persons of 65 years of age or older, declines granting any exemptions from ad valorem taxation for residence homesteads generally and travel trailers; (3) the engineer's report; (4) the operator's report; (5) approve and authorize MDS to file the annual report on implementation of Water Conservation Plan with the Texas Water Development Board and the North Fort Bend Water Authority ("NFBWA"); (6) authorize MDS to prepare a water loss audit; (7) a Resolution Regarding Annual Review of Investment Policy reflecting that the Board determined not to amend the Investment Policy at this time; (8) a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions reflecting authorized depository institutions of the District as provided by the bookkeeper; and (9) accept the Interim arbitrage rebate reports and summary report for Series 2010, 2011, and 2012 Bonds from Arbitrage Compliance Specialist, Inc., indicating no action by the District is required. Director Doyle seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached. The Board deferred action on the Gross Solutions report on Multilin system until the April Board meeting.

#### 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. The Board discussed the exemption on a property located at 9919 Towne Brook Lane. Following review and discussion, Director Kelley moved to approve the tax assessor/collector's report. Director Doyle seconded the motion, which passed unanimously.

#### 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. It was noted the crushed interceptor pipe noted in his report is on Fort Bend County's list of items to repair.

Mr. Schroeder noted that Champions has started repair of one of the storm sewer outfalls but repair of the other two storm sewer outfalls has been delayed due to recent rains. Mr. Abram confirmed that, after considering other drainage matters in the area of these two storm sewer outfalls, he recommends continuing with the proposed repairs as planned.

Following review and discussion, Director Doyle moved to approve the detention and drainage facilities and landscaping report. Director Barclay 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. 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.

## PUBLIC COMMENTS (CONTINUED)

Director Dudley reopened the meeting for public comments. Mr. Akaya addressed the Board and requested reimbursement of the \$55 reconnection fee and an additional \$35 deposit for his property at 13506 Eldridge Village resulting from a late payment.

## ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on the 2014 Sanitary Sewer Rehabilitation project (the "project"). He reported that a determination will be made on which additional segments T Construction can use cure in place piping ("CIPP") instead of pipe bursting after LJA obtains and reviews the video. The Board requested that Mr. Abram inform T Construction to restore the areas where T Construction is no longer pipe bursting or CIPP, including on Spanish Grant.

Mr. Abram updated the Board on the issue with the Townewest channels. He reported that Cody Kalkomey at Fort Bend County Drainage District has started the repair work on the channels.

The Board discussed drainage issues in the District. Following discussion, the Board concurred to hold a special meeting on March 30, 2016, at 8:30 a.m. at the Townewest Club House to discuss options to address the drainage issues.

Mr. Abram updated the Board on the possible street lights along West Belfort and Burney Road. He reported that he received part of the proposal with preliminary costs from John Hanley of CenterPoint Energy, but is still waiting to receive the remainder of the proposal. Following discussion, the Board concurred to have Mr. Abram contact a representative at the Fort Bend Municipal Utility District No. 119 ("FB119") to determine if FB119 would be interested in sharing the costs for the street lights that will be located adjacent to FB119.

Ms. Marcucci discussed adding a bill message regarding North Fort Bend Water Authority's water conservation program called Larry's Toolbox.

Ms. Marcucci presented and reviewed a proposal to rehabilitate identified sidewalks and areas beneath mailboxes where repair of District facilities may have contributed to settling. Mr. Abram confirmed that this project is a capital improvement payable from bond funds.

Ms. Marcucci presented and reviewed a proposal for adding sidewalks in the District at the following locations: 13903 Old Village, Old Village Rec Center, and Florence Road at Burney Road.

Discussion ensued regarding the lack of required gate access to a property to inspect District facilities.

Following review and discussion, Director Dunham moved to (1) approve the bill message as discussed; (2) authorize the project to rehabilitate specified sidewalk and mail box areas, as discussed; and (3) authorize the addition of sidewalks in the District at the following locations: 13903 Old Village in the amount of \$6,464; Old Village Rec Center in the amount of \$11,186; and Florence Road at Burney Road in the amount of \$12,927. Director Doyle seconded the motion, which passed unanimously.

#### SECURITY PATROL MATTERS

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

Officer Johnson informed the Board that Deputy Mike Nguyen has purchased a police motorcycle that he would like to use on and off duty. He further informed the Board that Deputy Nguyen is requesting to use his motorcycle while patrolling in the District, and he is requesting consideration by the District to purchase emergency equipment for the motorcycle. Following discussion, and in accordance with the recommendation of Officer Johnson, the Board concurred to allow Deputy Nguyen to use his motorcycle to patrol in the District and to reimburse him for the mileage used to patrol in the District but not to fund the purchase of additional emergency equipment for the motorcycle.

#### 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 renter at 10030 Townemist who has been incurring higher than normal water bills and is requesting an adjustment to her water bill due to her landlord not making timely repairs to home piping and toilet leaks.

Discussion also ensued regarding a homeowner at 13506 Eldridge Village who is requesting reimbursement of his \$55 reconnection fee and an additional \$35 deposit due to a late payment.

Following review and discussion, Director Doyle moved to (1) approve the extensions, adjustments, and write-off accounts as recommended by MDS; (2) approve a credit for the renter at 10030 Townemist on District water fees only (noting no credit is given for NFBWA fees or sewer fees) for water use in excess of average usage, as discussed, but only if the renter provides MDS proof that the leak was repaired; and (3) approve the request of the homeowner at 13506 Eldridge Village for a credit of \$55 for the reconnection fee but deny the request to refund the additional \$35 deposit. 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. 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 Kelley seconded the motion, which passed unanimously. A copy of the termination list is included in the report.

#### DISTRICT WEBSITE MATTERS

Director Dudley reported that she will be updating the District website.

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

The Board discussed the document shred and electronic recycling event that was held in the District on March 19, 2016.

Ms. Judkins updated the Board on the request to the District from Riverway Estates Community Association, Inc. ("Riverway Estates") to share in the cost of constructing a playground at the park located on Glenholly Park Drive (the "playground project"). The Board discussed contributing to the playground project and the agreement that would need to be signed by the parties involved (the "project agreement"). Following discussion, Director Dudley moved to approve a payment in the amount of \$10,000 to Riverway Estates for a portion of the playground project,

subject to the parties signing the project agreement and subject to the terms and conditions of the project agreement, and authorize Director Kelley to be the Board liaison for the playground project to approve and sign the project agreement for the District. Director Doyle seconded the motion, which passed by a vote of four to one, with Director Barclay voting against.

Ms. Klein presented and reviewed a conceptual design plan for landscaping around the detention pond on Florence Road and at the West Belfort Lift Station. The Board requested that Ms. Klein also obtain a conceptual design plan for replacing the sprinkler system and irrigation system on Belknap and at the West Belfort lift station. Following discussion, the Board concurred to have Ms. Klein work with Director Doyle and present the revised conceptual design plans to the Board at a future Board meeting.

#### AMEND RATE ORDER

There was no discussion on this agenda item.

#### ANNUAL REVIEW OF CONSULTANT CONTRACTS, INCLUDING REQUESTS FOR PROPOSALS

There was no discussion on this agenda item.

#### NORTH FORT BEND WATER AUTHORITY MATTERS

The Board discussed the requirements for participation in the NFBWA's water conservation program called Larry's Toolbox that the NFBWA is offering to participant municipal utility districts that will provide a reduction in the amount of \$0.10 per 1,000 gallons of the District's groundwater pumpage or surface water if certain goals are met. Ms. Judkins reminded the Board that ABHR represents the NFBWA. She reviewed with the Board a legal conflicts waiver with respect to the preparation of Larry's Toolbox Participation Agreement (the "Agreement"). Ms Judkins noted that the Agreement will be presented at the next Board meeting. Following review and discussion, Director Doyle moved to approve the legal conflicts waiver. Director Barclay seconded the motion, which passed unanimously.

#### ATTORNEY'S REPORT

There was no discussion on this agenda item.

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

The Board discussed options to address the patrol signs in the District that have been falling down.

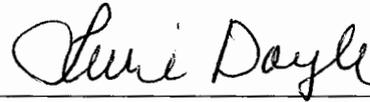
CONVENE IN EXECUTIVE SESSION

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

CONVENE IN EXECUTIVE SESSION

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

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Engineer's Report.....	2
Operator's Report.....	2
Tax assessor/collector's report .....	2
Detention and Drainage Facilities Report .....	2
Bookkeeper's Report.....	3
Security Patrol Report .....	4