

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

March 28, 2017

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 28th day of March, 2017, 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:

Robert Yack	President
Bernice Barclay	Vice President
Lisa Dudley	Secretary
Betty J. Stewart	Assistant Vice President
Pam Kelley	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, Scott Gill, and Michael Nguyen; Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Chad Abram of IDS Engineering Group ("IDS"); Erin Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); Rebecca Marcucci of Municipal District Services LLC ("MDS"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); Anthony Duran, Angel Tellez, Liliana Gamba, Dan Malone, Jackie Bush, Angela Massaro, and Clyde Massaro, residents of the District; Amarjit Verma, a member of the public; and Teshia Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Yack opened the meeting for public comments. Mr. Verma addressed the Board and said he was recently elected to the Board of the Keegans Bayou Improvement District. He expressed his desire to connect the West Keegans Bayou pathway system to all adjacent developments. He also asked the District to join him in working with the county commissioners to make roadway and other improvements in the area. Ms. Bush addressed the Board regarding the security patrol in the District. Mr. Massaro addressed the Board about director per diems. Mr. Duran addressed the Board regarding security in the District and asked about a recent security call and the procedures that were taken. Ms. Gamba addressed the Board and inquired about a neighborhood crime watch. Mr. Malone then addressed the Board and discussed the neighborhood crime watch that was previously organized in the neighborhood and the problems they experienced. There being no additional public comments, Director Yack closed the meeting to public comments.

CONSENT AGENDA

The minutes from the February 28, 2017, regular Board meeting, two March 8, 2017, special meeting minutes, and consultant reports were previously distributed. After discussion, Director Barclay moved 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 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 28, 2017, regular Board meeting, and two March 8, 2017, special meeting minutes; (2) the tax assessor/collector's report; (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) a Resolution Regarding Annual Review of Investment Policy reflecting that the Board determined not to amend the Investment Policy at this time; and (7) 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. Director Stewart seconded the motion, which passed unanimously. Copies of all reports approved as part of the consent agenda are attached.

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.

Mr. Schroeder further reported the trimming of the trees on the channels has been completed.

SECURITY PATROL MATTERS

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

Officer Johnson requested that the District residents contact him when there is a question or a problem with the District's security patrol. He reported that crime in the District has decreased since 2013 when the security patrol started in the District. Officer Johnson presented and reviewed crime statistics in the District, a copy of which is attached to the Security Patrol Report.

Officer Nguyen responded to Mr. Duran's question regarding a security call and the procedures that were taken.

Officer Johnson responded to Ms. Gamba's question regarding a neighborhood watch. He explained that the Fort Bend County Sheriff's Office has a neighborhood watch program that Officer Johnson could assist interested residents in setting up in neighborhoods within the District.

Officer Johnson, as the independent contractor responsible for security staffing decisions, recommended the District hire a new security officer named Emilio Solache to replace the previous security officer who left, and requested the District's approval of the related Security Services Contract for Officer Solache. He added that all required documentation has been received from Officer Solache.

Following discussion, Director Dudley moved to (1) approve the Patrol Report; and (2) authorize execution of the Security Services Contract with Officer Solache, with Officer Johnson to fill District patrol hours at his discretion. Director Yack 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, budget comparison, and investment report. Following review and discussion, Director Dudley moved to approve the bookkeeper's report, including payment of the bills. Director Barclay seconded the motion, which passed unanimously.

Ms. Judkins responded to Mr. Massaro's question regarding per diems for District Board members.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram and Director Dudley discussed with the Board the meeting that was held between some District Directors and Fort Bend County's Engineering Department to further investigate possible solutions for drainage, road improvements, and other issues in the District.

Discussion ensued regarding the potential costs associated with increasing the District's current water and sewer capacity. Following discussion, the Board concurred to have Mr. Abram obtain additional information prior to the Board making a decision about increasing the District's current water and sewer capacity and any requests for annexation.

Director Dudley reported that Fort Bend County has indicated they will not be able to assist with any of the drainage issues along Florence Road. Discussion ensued regarding possible options for addressing the drainage issues in Townwest Sections 5 and 6 which drains to Vine River and on to Florence Road.

Ms. Marcucci requested authorization for repair of a storm inlet pipe on 14002 Clear Forest due to recent damage by an unknown vehicle.

Ms. Marcucci discussed adding a bill message regarding not dumping grass clippings or trash down storm sewer inlets. Following discussion, Director Dudley moved to approve the bill message as discussed. Director Yack seconded the motion, which passed unanimously.

Following discussion regarding repair of Phase XIII and Phase XIV storm sewer inlets, the Board concurred to defer action on these repairs until additional information is obtained.

Discussion ensued regarding testing the District's water for the presence of chromium-6, although there is no legal requirement for the District to do so. Following discussion, Director Dudley moved to (1) test for the presence of chromium-6 in three locations: at each of the District's two wells and at the point where the NFBWA delivers surface water to the District; and (2) authorize MDS to repair the damaged storm inlet pipe on 14002 Clear Forest. Director Yack 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 also ensued regarding a homeowner at 10407 Ripplewave Drive who is requesting an extension until April 4, 2017.

Following review and discussion, Director Dudley moved to (1) approve the extensions, adjustments, and write-off accounts as recommended by MDS; and (2) approve the request of the homeowner at 10407 Ripplewave Drive for an extension to pay her water bill on or before April 4, 2017. Director Barclay seconded the motion, which passed unanimously. Copies of the lists for extensions, adjustments, and write-offs are filed and retained in the District's official records.

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 Dudley 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 Barclay seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

The Board discussed additions to the District website.

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

Director Dudley presented and reviewed a draft of the spring newsletter. She requested that any recommended changes be given to her no later than April 4, 2017, at 5:00 p.m. Following discussion, Director Barclay moved to approve the spring newsletter, subject to finalization by Director Dudley. Director Kelley seconded the motion, which passed unanimously.

Director Barclay left the meeting.

AMENDMENT TO AGREEMENT WITH TOWNEWEST HOMEOWNERS ASSOCIATION CONCERNING PAYMENT STATION

Mr. Abram updated the Board on the letter that was received from Townewest Homeowners Association ("Townewest HOA") requesting an amendment to the agreement between the District and Townewest HOA concerning the dropbox. Mr. Abram stated that he has obtained additional information and will work with ABHR to draft an amendment.

NORTH FORT BEND WATER AUTHORITY MATTERS, INCLUDING LARRY'S TOOLBOX PROGRAM

Discussion ensued regarding a request from the NFBWAS for information regarding the District's estimated water usage through 2025.

ATTORNEY'S REPORT

Ms. Judkins updated the Board on the installation of streetlights along Burney Road and West Bellfort. She reported that Acclaim Energy Advisors has been asked to confirm whether the information on a competitive retail selection form that was sent to the District by CenterPoint Energy is correct before the form is signed and the District has not yet received such confirmation.

Ms. Judkins reported to the Board that the District has not yet received from the District Auditor, despite repeated requests, a final copy of the District's audit and

confirmation that such audit was filed with the Texas Commission on Environmental Quality. Following discussion, the Board concurred to have Director Dudley follow up with the District auditor.

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