

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

May 24, 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 24th day of May, 2016, at James West Community Center, 14031 West Bellfort, 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
Robert Yack	Director
Bernice Barclay	Assistant Vice President
Betty Stewart	Director

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

Also present for all or a portion of the meeting were Officer Mike Nguyen; Greg East of Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"); Felix DeLeon of WCA Waste Corporation of Texas ("WCA"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Tara Klein of Four & One Landscape Architecture; Chad Abram of IDS Engineering Group ("IDS"); Christina Garcia of Myrtle Cruz, Inc.; Rebecca Marcucci and Bryan Chapline of Municipal District Services LLC ("MDS"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); Harry Dunham, Deyla Robles, Anthony Duran, and Mario Maciel, residents 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. Mr. Dunham thanked everyone for allowing him to serve on the Board of Directors and congratulated the new directors. He commended Director Dudley on a job well done for the District. The Board thanked Mr. Dunham for serving on the Board of Directors.

CONSENT AGENDA

The minutes from the April 26, 2016, regular Board meeting, and April 12, 2016, and May 18, 2016, special Board meetings, and consultant reports were previously distributed. After discussion, Director Kelley 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 April 26, 2016, regular Board meeting, and April 12, 2016, and May 18, 2016, special Board meetings; (2) the engineer's report; (3) the operator's report; (4) the Critical Load Spreadsheet for District's facilities that will be filed with the

appropriate governmental agencies as required by the Water Code, noting that there were no revisions to the spreadsheet; and (5) the annual report on the Identity Theft Prevention Program noting no incidents and recommending no changes to the program. Director Yack 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.

Mr. East presented and reviewed the delinquent tax report, a copy of which is attached to the tax assessor/collector's report. The Board discussed the over-65 exemption on a property located at 10238 Kent Towne Lane. Following review and discussion, the Board concurred to have Director Barclay check into this matter and report back to Mr. East prior to Perdue filing a lawsuit. The Board next discussed a personal property account at 2575 Eldridge Road, Suite D. The Board further discussed removing the personal property accounts at 10100 Belknap Road, Suite A-3 and 2575 Eldridge Road to the uncollectible roll.

Following review and discussion, Director Dudley moved to (1) approve the tax assessor/collector's report; and (2) approve the recommendations on the delinquent tax report from Perdue, as discussed. Director Kelley seconded the motion, which passed unanimously.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

After discussion, Director Stewart moved to reorganize the Board as follows:

Robert Yack	President
Bernice Barclay	Vice President
Lisa Dudley	Secretary
Betty Stewart	Assistant Vice President
Pam Kelley	Assistant Secretary

Director Barclay seconded the motion, which passed by a vote of four to one, with Director Kelley voting against.

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Stewart made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be

filed appropriately and retained in the District's official records. Director Barclay seconded the motion, which passed by a vote of 4 to 1, with Director Kelley voting against.

Ms. Judkins presented and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act and Public Information Act Training requirements, a copy of which is attached. She stated that each elected public official is required to complete a course of training regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act. Ms. Judkins stated that Directors Stewart and Yack must complete training within 90 days of taking their Oaths of Office.

Ms. Judkins presented and reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. She stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. She reviewed the List of Local Government Officers. After review and discussion, Director Dudley moved to approve and authorize execution of the List of Local Government Officers. Director Stewart seconded the motion, which passed by unanimous vote.

SECURITY PATROL MATTERS

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

Officer Nguyen reported on a significant arrest that took place in the District on May 16, 2016.

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 reported that repairs to 2 of the 3 storm sewer outfalls are underway but continue to be delayed by rain and noted that repairs to the third storm sewer outfall are complete.

Ms. Klein presented and reviewed a Board Report, a copy of which is attached, as well as construction drawings and plans for (1) planting without irrigation along Florence at the detention pond (the "detention pond project"); and (2) landscape and irrigation at the lift station along West Bellfort (the "lift station project"). She recommended waiting until the fall to bid the detention pond project when the plants are in a dormant state. She also recommended Champions perform the lift station project because of the nature and size of the project as well as potential cost savings. Ms. Klein and Mr. Schroeder discussed that Champions will work with Richard Bearden of Texas Rain for assessing the District's existing irrigation system and additional needs. Discussion ensued. The Board also

discussed the advantages of using artificial turf rather than grass in front of the Lift Station. Ms. Klein discussed the potential cost savings of artificial turf in water use and maintenance.

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.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on the 2014 Sanitary Sewer Rehabilitation project (the "project"). He reported that there are only four segments of the project remaining, and the project is almost complete. He informed the Board that he is preparing a final change order that will be a deduction from T Construction, LLC's contract at the end of the project.

Mr. Abram discussed drainage issues in the District, including the drainage issues in Townewest Sections 5 and 6 that drain to Vine River and on to Florence Road. He reviewed possible options for addressing the drainage issues.

Mr. Abram updated the Board on the possible installation of street lights along West Bellfort and Burney Road. He reported that Fort Bend Municipal Utility District No. 119 ("FB119") has agreed to participate in the installation of street lights along the portion of Burney Road that borders both the District and FB119. He added that he is working with CenterPoint on getting two separate contracts, one for each district.

Ms. Marcucci discussed adding a bill message requesting pictures from the district residents from the April 18, 2016, flood.

Ms. Marcucci also presented proposal for site restoration where concrete undermined seemingly by District facilities at two locations on Spanish Grant in the amount of \$4,750.00 and \$6,030.00 respectively.

Ms. Marcucci presented and reviewed a proposal for cure-in-place pipe lining of the corrugated culvert pipe along Clark Towne between Belknap and Overview, at a cost of \$68,500. Ms. Marcucci added that this project is a capital improvement payable from bond funds.

Following review and discussion, Director Dudley moved to (1) approve the bill message as discussed; (2) approve the proposal for site restoration at two locations on Spanish Grant in the amount of \$4,750.00 and \$6,030.00; and (3) authorize cure-in-place pipe lining of the corrugated culvert pipe along Clark Towne between Belknap and

Overview, at a cost of \$68,500. Director Barclay 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 13919 Towneway who is requesting reimbursement of a \$10 late fee.

Following review and discussion, Director Dudley moved to (1) approve the extensions, adjustments, and write-off accounts as recommended by MDS; and (2) reimburse the \$10 late fee to the homeowner at 13919 Towneway. Director Barclay 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 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. A copy of the termination list is included in the report.

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

The Board discussed scheduling the quarterly special meeting with the four homeowners associations in the District. Following discussion, the Board concurred to schedule the quarterly meeting for July 19, 2016, at 7:00 p.m.

REVIEW GARBAGE PROPOSALS

Mr. DeLeon introduced himself and informed the Board that he is now the WCA Board representative for the District. He also informed the Board that he can be contacted directly about any garbage or recycling issues in the District.

Mr. DeLeon informed the Board that the letter the District received from WCA regarding a proposed price increase to the District’s recycling rate was sent out in error.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

ATTORNEY’S REPORT

The Board discussed the status of the Rode lawsuit. Following discussion, the Board concurred to have Ms. Marcucci send a written update to Elizabeth Duff so the lawsuit can be dismissed.

DISCUSS TIME, PLACE, AND DATES FOR FUTURE BOARD OF DIRECTOR MEETINGS

The Board discussed possibly changing the day and time of the Board meetings. Director Barclay proposed changing the meeting date to the fourth Tuesday of each month at 5:30 p.m. at the regular meeting place. Discussion ensued regarding everyone’s availability. The Board concurred to discuss this matter at a future Board meeting.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 10:22 a.m. pursuant to Section 551.072, Texas Government Code.

RECONVENE IN EXECUTIVE SESSION

The Board reconvened in open session at 10:29 a.m. No Board action was taken.

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.

(SEAL)



Joseph M. Dudley
Secretary, Board of Directors

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