

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

June 28, 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 28th day of June, 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:

Robert Yack	President
Bernice Barclay	Vice President
Lisa Dudley	Secretary
Betty 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 and Scott Gill; Felix DeLeon of WCA Waste Corporation of Texas ("WCA"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Chad Abram of IDS Engineering Group ("IDS"); Christina Garcia of Myrtle Cruz, Inc.; Bryan Chapline of Municipal District Services LLC ("MDS"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); Jokari Henton, a resident of the District; and Teshia N. Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Yack opened the meeting for public comments. Ms. Henton addressed the Board regarding the District's Rate Order and the experience with MDS concerning the notices given before water service is disconnected. Discussion ensued regarding the procedures that MDS takes prior to disconnecting water service. Ms. Henton requested reimbursement of the late fees that were added to her account.

There being no additional public comments, Director Yack closed the meeting to public comments.

CONSENT AGENDA

The minutes from the May 24, 2016, regular Board meeting, 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 May 24, 2016, regular Board meeting; (2) authorize the District's delinquent tax attorney to begin collecting the 2015

delinquent taxes on July 1, 2016; (3) the engineer's report; (4) the operator's report; and (5) approve reimbursement of eligible Association of Water Board Directors ("AWBD") summer conference expenses and authorize attendance at AWBD winter conference of any interested Directors. Director Barclay 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.

Director Barclay updated the Board on the over-65 exemption on a property located at 10238 Kent Towne Lane. She reported that she checked into the matter and could not make contact with anyone. The Board concurred that the District's delinquent tax attorney can proceed with filing a lawsuit against the owner of this property.

Following review and discussion, Director Kelley moved to approve the tax assessor/collector's report. Director Barclay seconded the motion, which passed unanimously.

DISTRICT GARBAGE AND RECYCLING

Mr. DeLeon confirmed to the Board that WCA is not requesting an increase to the District's rate for recycling, and that the only rate increase would be pursuant to the annual consumer price index adjustment allowed by the District's current agreement. Mr. DeLeon informed the Board that they can contact him with any issues or concerns regarding the District's garbage and recycling services.

Director Dudley informed Mr. DeLeon that several recycling bins have been stolen in the District, and she requested that WCA replace them.

The Board discussed possibly using tags on District residents' doors to educate the residents about heavy trash pickup policies. Following discussion, the Board concurred to not proceed with the door tags.

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 reported on a problem with the officer's cell phone not ringing when calls are coming in.

The Board next discussed possible gun shots that have been heard in the District.

Officer Johnson reported that the security officers have investigated this matter but have been unable to confirm.

Officer Johnson discussed with the Board the many years of experience of the officers who are patrolling the District. He added that most of the officers are sergeants. The Board discussed the number of hours the officers are working each week in the District. Officer Johnson informed the Board that the officers will be working additional hours on the weekends during the summer months, and that with the some of the officers taking vacation, it will even out and not add additional hours to the workload.

The Board discussed 3-wheeler vehicles that are going around barricades and trespassing on District detention facilities despite posted signs.

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 updated the Board on repairs to storm sewer outfalls. He reported that 2 of the 3 storm sewer outfalls are underway but have not been completed due to rain. He added that the pipe was installed in Segment 13 but the concrete apron cannot be added until the area is dry. He reported that both the pipe and concrete apron for Segment 16 are awaiting installation, and they hope to start this week, weather permitting.

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.

Director Dudley presented and reviewed correspondence the District received from a company regarding the investment of District funds and requested that Ms. Garcia research the information further.

The Board discussed reimbursing the late fees on Ms. Henton's account.

Following review and discussion, Director Barclay moved to (1) approve the bookkeeper's report, including payment of the bills; and (2) reimburse the late fees on Ms. Henton's account. Director Kelley seconded the motion, which was approved by unanimous vote.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Chapline updated the Board on the cure-in-place pipe lining of the corrugated culvert pipe along Clark Towne between Belknap and Overview. He reported that three of the five sections have been completed.

Mr. Chapline discussed adding a bill message as part of the North Fort Bend Water Authority's Larry's Toolbox program regarding water conservation.

The Board considered repairs to certain fire hydrants as a result of the Annual Fire Hydrant Inspection.

The Board considered a resident request to repair a sidewalk on a property located at 10938 Spanish Grant. Mr. Chapline confirmed that MDS investigated and there have been no District repairs at that location to warrant the District's repair. Following discussion and the recommendation of the District's operator, the Board concurred to take no action on the sidewalk repair at 10938 Spanish Grant.

Following review and discussion, Director Dudley moved to (1) approve the bill message as discussed; and (2) approve repairs to certain fire hydrants in the amount of \$8,000, as recommended by the Operator. Director Kelley seconded the motion, which passed unanimously.

Mr. Abram updated the Board on the 2016 Sanitary Sewer Manhole Inspection project (the "Manhole Inspection project"). He reported that the Manhole Inspection project should be completed by the end of the summer.

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

UPDATE PAYMENT SERVICES AGREEMENTS

Mr. Chapline presented an Addendum to Operator Service Agreement between MDS and the District, Cancellation Letter from the District to BBVA Compass Bank, Amended and Restated Resolution Approving Additional Payment Services for District Customers, Amended and Restated Processing Agreement between BBVA Compass Bank and the District, and a Payment Services Agreement between First Mobile Trust, LLC, and the District in connection with additional payment options by which District residents can pay water bills. Following review and discussion, Director Dudley moved to (1) approve the Addendum to Operator Service Agreement; (2) approve the Cancellation Letter to BBVA Compass Bank; (3) adopt the Amended and Restated Resolution Approving Additional Payment Services for District Customers; (4) approve the Amended and Restated Processing Agreement between BBVA Compass Bank and the District; and (5) approve the Payment Services Agreement between First Mobile Trust, LLC, and the District, and direct that the Addendum, Cancellation Letter, Resolution, and Agreements be filed appropriately and retained in the District's official records. Director Kelley seconded the motion, which carried by unanimous vote.

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 Dudley moved to approve the extensions, adjustments, and write-off accounts as recommended by MDS. 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. 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 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 the WCA employees to contact in the event of an issue with the District's garbage and recycling services.

The Board discussed a service that allows an email alert to be sent out with messages and emergency notifications.

The Board discussed the upcoming special meeting on July 12, 2016, at 5:30 p.m. to discuss the tax rate process. The Board also discussed the quarterly special meeting with the four homeowners associations in the District scheduled for July 19, 2016, at 7:00 p.m.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

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

Following review and discussion, Director Barclay moved to change the meeting date to the fourth Tuesday of each month at 5:30 p.m. at the regular meeting place. Director Stewart seconded the motion, which passed unanimously.

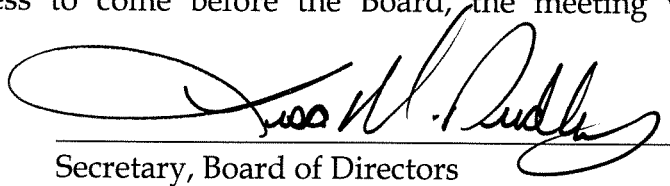
CONVENE IN EXECUTIVE SESSION

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

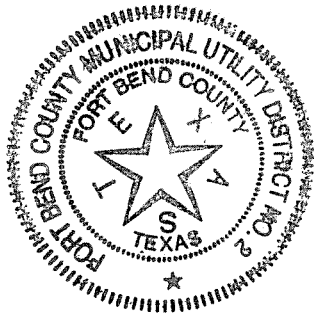
CONVENE IN EXECUTIVE SESSION

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)



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