

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

July 25, 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 25th day of July, 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 Officer Calvin Johnson; Chad Abram of IDS Engineering Group ("IDS"); Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); 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"); Kathy Munoz, a resident of the District; and Teshia Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Judkins opened the meeting for public comments. There being no public comments, Ms. Judkins closed the meeting to public comments.

CONSENT AGENDA

The minutes from the June 27, 2017, 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 June 27, 2017, regular Board meeting; (2) the engineer's report, including approval of Pay Estimate No. 1 for the 2016 Sanitary Sewer and Storm Sewer Manhole Rehabilitation project in the amount of \$102,573, as recommended; (3) the operator's report; and (4) authorize execution of an Interlocal Agreement between the District and the Fort Bend Subsidence District reflecting the sponsorship of Townewest Elementary school for the Water Wise Program. Director Dudley 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.

Following review and discussion, Director Kelley moved to approve the tax assessor/collector's report. Director Barclay 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, as the independent contractor responsible for security staffing decisions, informed the Board that Officers Emilio Solache and Marissa Salas have resigned, and he is requesting that their contracts be terminated effective today. Officer Johnson further recommended in his capacity as the independent contractor responsible for security staffing decisions that the District hire new security officers named Yuri Saenz and Stephanie Rios, and requested the District's approval of the related Security Services Contracts for Officers Saenz and Rios. He added that all required documentation has been received from Officers Saenz and Rios.

The Board discussed complaints that have been received about cars parking illegally in certain cul-de-sacs in the District resulting in blocking other vehicles from entering and exiting the cul-de-sacs. The Board also discussed how this illegal parking can prevent emergency vehicles, garbage trucks, and other service vehicles from accessing residents living on the cul-de-sacs. Officer Johnson suggested sending a letter to Fort Bend County Commissioners Court requesting Fort Bend County conduct traffic studies on the affected cul-de-sacs in order to determine if appropriate parking signs should be installed in certain cul-de-sacs. Discussion ensued. Officer Johnson informed the Board that he would notify ABHR of the affected cul-de-sacs.

Following discussion, Director Dudley moved to (1) approve the Security Patrol Report; (2) approve the termination of Officer Emilio Solache effective as of today, as recommended by Officer Johnson; (3) approve the termination of Officer Marissa Salas effective as of today, as recommended by Officer Johnson; (4) authorize execution of the Security Services Contract with Officer Saenz, as recommended by Officer Johnson, with Officer Johnson to fill District patrol hours at his discretion; (5) authorize execution of the Security Services Contract with Officer Rios, as recommended by Officer Johnson,

with Officer Johnson to fill District patrol hours at his discretion; and (6) authorize sending a letter, as suggested by Officer Johnson, to Fort Bend County Commissioners Court requesting Fort Bend County conduct traffic studies on certain cul-de-sacs in the District where cars are parking illegally, as discussed. Director Stewart 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.

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. Ms. Garcia also reviewed information concerning the District's first quarter reimbursement received from the North Fort Bend Water Authority ("NFBWA") for the Districts' successful completion of the 2016 Larry's Toolbox program. Discussion ensued.

Ms. Garcia presented and reviewed a calculation of hourly charges performed by Myrtle Cruz. She asked the Board to consider the approval of an amended bookkeeper's agreement at the next Board meeting, and the Board concurred to add an agenda item to its next meeting to consider an amended bookkeepers' agreement as discussed.

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.

QUARTERLY BUDGET REVIEW AND ADOPT AMENDED BUDGET

Ms. Garcia reported to the Board that she has no recommended amendments to the budget at this time.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on possibly increasing the District's current water and sewer capacity. Discussion ensued. Following discussion, Director Dudley moved to have Mr. Abram contact the City of Houston about the possibility of increasing the District's sewer capacity. Director Yack seconded the motion, which passed unanimously.

Ms. Marcucci discussed adding a bill message regarding maintaining a water smart lawn.

Ms. Marcucci discussed the pipe and manhole damage in front of Townewest Elementary School. She reported that it was determined that this is not a District facility and, therefore, the District is not responsible for repairing it.

Ms. Marcucci reported that MDS received a message that someone is washing out a dump truck into the storm drain at Clark Tower and Old Village. Following discussion, the Board concurred to have MDS further investigate this matter and send a letter to the District resident, if appropriate.

Following discussion, Director Kelley moved to approve the bill message as discussed. 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.

Following review and discussion, Director Kelley 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 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 Kelley 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

REPORTS ON DISTRICT BUSINESS AND OPERATIONS

The Board discussed scheduling a meeting with the homeowners associations and community improvement associations located within the District on August 7, 2017, at 6:30 p.m.

Discussion ensued regarding a mobile vet that will be in the District on September 22, 2017, from 4:00 p.m. to 7:00 p.m. The Board also discussed banners and signs to advertise the mobile vet.

DUMPSTER DISPOSAL SERVICES AT WATER PLANT, INCLUDING RELATED AGREEMENT

The Board discussed the dumpster located at the District water plant that is used to dispose of materials from construction and repair sites. Ms. Judkins informed the Board that Waste Management is requesting the District enter into an agreement for the dumpster in the amount of \$300 each time they haul the materials, a \$54 disposal rate, and \$150 each month to have the dumpster on site. Ms. Marcucci presented and reviewed an alternative proposal from Sprint Waste Services, L.P. ("Sprint"), a subcontractor of MDS, in the amount of \$350 for each time Sprint disposes of the full container. It was noted that the cost will be \$162 if they do not pick up a full container. Following discussion, Director Dudley moved to approve the proposal from Sprint, as discussed. Director Kelley seconded the motion, which passed unanimously.

CONSUMER PRICE INDEX FOR WCA ADJUSTMENT

Ms. Judkins noted that, as of today's meeting, the District has not received a consumer price index adjustment from WCA Waste Corporation of Texas, L.P.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF FORT BEND CENTRAL APPRAISAL DISTRICT ("FBCAD")

The Board discussed current candidates for water district nominee for the Board of Directors of the FBCAD. Following discussion, Director Yack moved to adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the FBCAD, casting its five votes in favor of Sam Mayson and to direct that the Resolution be filed appropriately and retained in the District's official records. Director Stewart seconded the motion, which carried unanimously.

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

There was no discussion on this agenda item.

ATTORNEY'S REPORT, INCLUDING REPORT REGARDING LEGISLATIVE MATTERS

Ms. Judkins distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 85th Regular Session of the Texas Legislature, a copy of which is attached.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 7:02 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss pending or contemplated litigation, or a settlement offer.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:11 p.m. No Board action was taken.

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


Asst. Secretary, Board of Directors

(SEAL)



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