

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

September 16, 2016

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 2 (the "District") met in special session, open to the public, on the 16th day of September, 2016, at the offices of Municipal District Services L.L.C., 406 West Grand Parkway South, Suite 260, Katy, Texas 77494, outside 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; Christina Garcia of Myrtle Cruz, Inc.; Rebecca Marcucci of Municipal District Services LLC ("MDS"); Dayne Burson and Jennifer Smith of Accurate Meter & Supply; and Teshia N. Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP.

CONDUCT BUDGET WORKSHOP FOR FISCAL YEAR ENDING OCTOBER 31, 2017

Mr. Burson presented and reviewed information regarding Badger smart water meters and the costs associated with installing such meters in the District. Ms. Marcucci provided additional information regarding MDS's experiences in other districts that have switched to smart meters.

Officer Johnson presented and reviewed with the Board a proposal for an extended warranty for the Chevy Tahoe patrol vehicle from Classic Chevrolet at a cost of \$2,952. He informed the Board that this extended warranty has no deductible and will cover an additional three years and 75,000 miles.

Ms. Judkins noted a Notice of Preliminary 2017 Fees recently received from the North Fort Bend Water Authority ("NFBWA") stating the NFBWA anticipates increasing the Groundwater Reduction Plan Fee to \$3.05 per 1,000 gallons of water pumped and the Surface Water Fee to \$3.40 per 1,000 gallons of surface water received effective January 1, 2017.

The Board conducted its budget workshop, including review and discussion of tax rate analysis, fund reserves, maintenance and operations, proposed budgets for

capital improvement projects, electronic meters in the District, sidewalks, District security patrol vehicle, and legal fees. Ms. Garcia reviewed a draft budget for fiscal year ending October 31, 2017. Following further review and discussion, Ms. Garcia reviewed revisions to several line items of the draft budget.

ADOPT BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2017

Following discussion, the Board concurred to defer this matter until the next Board meeting.

REVIEW AMENDMENT FROM WCA AND TAKE APPROPRIATE ACTION, IF NECESSARY

The Board reviewed a First Amendment to Residential Solid Waste Collection Contract that reflected a \$0.47 per household increase for twice per week heavy trash pick-up. It was noted that WCA will not seek a CPI adjustment of its rate in 2016, and the next CPI adjustment will not be before July 1, 2017. Following discussion, Director Dudley moved to adopt the First Amendment to Residential Solid Waste Collection Contract. Director Barclay seconded the motion, which passed by a vote of four to one, with Director Stewart voting against.

AMEND RATE ORDER

The Board discussed amending the Rate Order to reflect an increase in the sewage rate from \$29.65 to \$30.12 due to the increased garbage cost. After review and discussion, Director Dudley moved to adopt the Amended Rate Order to be effective when twice per week heavy trash pick-up begins in the District, and direct that the Order be filed appropriately and retained in the District's official records. Director Barclay seconded the motion, which passed by a vote of four to one, with Director Stewart voting against.

There being no other matters to come before the Board, the meeting was adjourned.

(SEAL)



  
Secretary, Board of Directors