

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

October 25, 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 25th day of October, 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 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; Jerry Schroeder of Champions Hydro-Lawn, Inc. ("Champions"); Chad Abram of IDS Engineering Group ("IDS"); Christina Garcia of Myrtle Cruz, Inc.; Rebecca Marcucci of Municipal District Services LLC ("MDS"); David Patterson of Assessments of the Southwest, Inc. ("Assessments"); and Teshia Judkins and Merry Heyne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

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

CONSENT AGENDA

The minutes from the September 27, 2016, regular Board meeting, and consultant reports were previously distributed. After discussion, Director Dudley 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 September 27, 2016, regular Board meeting; (2) the engineer's report; (3) the operator's report; and (4) engage auditor to conduct audit for fiscal year ends October 31, 2016, October 31, 2017, and October 31, 2018. Director Kelley seconded the motion, which passed unanimously, with Director Barclay being absent. 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. Discussion ensued.

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

APPROVE AMENDMENT TO FLOOD DAMAGE PREVENTION ORDER

Ms. Judkins presented and reviewed an Amendment to Flood Damage Prevention Order. She informed the Board that the Flood Damage Prevention Order was amended to comply with the requirements for continued participation in the National Flood Insurance Program ("NFIP") in accordance with the recommendations of Mr. Oyer, a program specialist for the NFIP. She added that without the District's continued participation in the NFIP, District residents would be unable to purchase federally-backed flood insurance through FEMA. Following discussion, Director Dudley moved to approve the Amendment to Flood Damage Prevention Order. Director Kelley seconded the motion, which passed unanimously.

SECURITY PATROL MATTERS

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

Officer Johnson, as the independent contractor responsible for security staffing decisions, recommended the District hire a new security officer to replace the previous security officer who left as well as to hire a new security officer named Megan Herrin to serve as a relief person, and requested the District's approval of the related Security Services Contracts for these officers. He added that all required documentation has been received from Ms. Herrin.

Following discussion, Director Dudley moved to (1) approve the Patrol Report; and (2) authorize execution of the Security Services Contracts with the two security officers selected by Officer Johnson, subject to receipt of all required documentation, with Officer Johnson to fill District patrol hours at his discretion. Director Kelley 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.

Mr. Schroeder noted the development of a sinkhole on County property related to a County-installed pipe. Mr. Abrams stated he will report the sinkhole to the County so that the County can address.

Mr. Schroeder updated the Board on repairs to storm sewer outfalls. He reported that the concrete apron has been installed in Segment 16, thereby completing the repairs to this outfall.

Discussion ensued regarding proposals received for repairs to a back slope swale interceptor structure and a 30-inch corrugated metal pipe storm outfall. Following discussion, the Board concurred to have MDS solicit additional bids for these two projects.

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 Yack moved to approve the bookkeeper's report, including payment of the bills. Director Kelley seconded the motion, which passed unanimously.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Abram updated the Board on the 2016 Sanitary Sewer Manhole Rehabilitation Project and the 2016 Storm Sewer Manhole Rehabilitation Project ("2016 Sanitary Sewer and Storm Sewer project"). He presented and reviewed the inspection reports and cost estimates for the 2016 Sanitary Sewer and Storm Sewer project and offered recommendations. Discussion ensued. Following review and discussion, Director Dudley moved to authorize IDS to advertise for bids for the 2016 Sanitary Sewer and Storm Sewer project. Director Yack seconded the motion, which passed unanimously.

Mr. Abram updated the Board on information he received regarding the potential of redevelopment of the Auto Parts Yard. Discussion ensued regarding the District's current capacity availability, and the District's ability to serve redevelopment of the tract, including portions of the tract that are outside the District.

Director Barclay left the meeting.

The Board considered a resident request to repair a driveway on a property located at 13710 Towneway. Ms. Marcucci informed the Board that the resident is alleging that the water line replacement project caused problems with the driveway. Ms. Marcucci confirmed that MDS has received no previous calls or complaints at that location and there is no history of repairs at that location impacting the driveway. Following discussion and the recommendation of the District's operator, the Board concurred to take no action on the requested driveway repair at 13710 Towneway.

Ms. Marcucci requested authorization for approval of a proposal from Neil Technical Services ("NTS") for a new multilin system for well 2 at a cost of \$7,300.

Ms. Marcucci requested authorization for approval of a proposal for a new chlorine leak detector to be installed at the Water Plant at a cost of \$3,996.

Ms. Marcucci requested authorization for approval of a proposal to approve NTS to replace Gross Solutions, due to the retirement of Mr. Gross, and perform quarterly evaluations of data relating to wells 1 and 2 as collected by the supervisory control and data acquisition ("SCADA") and Multilin, as well as a visual and audible observation of the well motors, at a cost of \$420 each quarter.

Ms. Marcucci presented and reviewed a proposal to install cured in place pipe ("CIPP") on two outfall pipes on Spanish Grant between Old Village and Towne View at a cost of \$69,000. Mr. Abram confirmed that the capital improvements made as part of these projects are payable from bond funds.

Ms. Marcucci presented and reviewed proposals for phase IX and phase X storm sewer inlet and manhole repairs in the amount of \$38,315 and \$39,560, respectively. Mr. Abram confirmed that the capital improvements made as part of these projects are payable from bond funds.

Ms. Marcucci discussed adding a bill message regarding the rain barrel program through the North Fort Bend Water Authority ("NFBWA").

Following review and discussion, Director Yack moved to (1) authorize NTS to replace the multilin system at well 2 at a cost of \$7,300; (2) authorize a new chlorine leak detector to be installed at the Water Plant at a cost of \$3,996; (3) authorize sending written confirmation to Gross Solutions of termination of services and authorize NTS to replace Gross Solutions to perform quarterly evaluations of data related to wells 1 and 2 at a cost of \$420 each quarter; (4) authorize MDS to install CIPP on two outfall pipes on Spanish Grant between Old Village and Towne View at a cost of \$69,000; (5) authorize MDS to perform the phase IX and phase X storm sewer inlet and manhole repairs in the amount of \$38,315 and \$39,560, respectively; and (6) approve the bill message regarding the rain barrel program through the NFBWA. Director Stewart seconded the motion, which passed unanimously, with Director Barclay being absent.

WATER SMART PROGRAM

Discussion ensued regarding the application for the Association of Water Board Directors ("AWBD") Water Smart Program. Following review and discussion, Director Stewart moved to approve execution of the Resolution for the AWBD Water Smart Program. Director Kelley seconded the motion, which passed unanimously, with Director Barclay being absent.

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 Dudley moved to approve the extensions, adjustments, and write-off accounts as recommended by MDS. Director Kelley seconded the motion, which passed unanimously, with Director Barclay being absent. Copies of the lists for extensions, adjustments, and write-offs are included in the operator's report.

Ms. Marcucci also reviewed two accounts eligible for termination of water service at 10423 Permian Drive and 10442 Ripplewave Drive for failure to repair a leak. A copy of the termination letters sent to each residence is included in the operator's report. Ms. Marcucci noted that each resident was notified prior to the letter of leak, the necessity of repair, and the risk of termination. After discussion, Director Dudley moved to terminate water service to the accounts at 10423 Permian Drive and 10442 Ripplewave Drive in accordance with the District's Rate Order. Director Kelley seconded the motion, which passed unanimously.

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 Kelley seconded the motion, which passed unanimously, with Director Barclay being absent.

DISTRICT WEBSITE MATTERS

The Board discussed additions to the District website.

APPOINTMENT OF CONSULTANT LIAISONS

The Board tabled this agenda item until the January Board meeting.

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

There was no discussion on this agenda item.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

Ms. Judkins reminded the Directors that the next meeting will be held on November 29, 2016, at 5:30 p.m. and will combine the November and December meetings due to the holidays.

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)




Secretary, Board of Directors

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