

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

June 27, 2023

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 27th day of June, 2023, 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:

Pam Kelley	President
Betty J. Stewart	Vice President
Lisa Dudley	Secretary
Jessica Fateh	Assistant Vice President
Jose Luis Fuentes Mendoza	Assistant Secretary

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

Also attending the meeting were Brittany Keeswood of Assessments of the Southwest, Inc.; Officer Calvin Johnson; Luis Cebrian of Champions Hydro-Lawn, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Austin Muse of Municipal District Services LLC ("MDS"); Chad Abram of IDS Engineering Group; and Whitney Higgins and Kathryn Easey of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

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

CONSENT AGENDA

The minutes from the May 23, 2023, regular Board meeting and consultant reports were previously distributed. After discussion, Director Kelley moved to remove agenda item no. 2(b) from the consent agenda, and 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 23, 2023, regular Board meeting, as submitted; (2) authorize the District's delinquent tax attorney to begin collecting the 2022 delinquent taxes on July 1, 2023; (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 the AWBD winter conference of any interested Directors. Director Fateh seconded the motion, which passed unanimously.

ITEMS REMOVED FROM CONSENT AGENDA

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Keeswood presented and reviewed the tax assessor/collector's report, a copy of which is attached. Discussion ensued regarding the delinquent tax roll. Following review and discussion, Director Dudley moved to approve the tax assessor/collector's report, including payment of the bills. Director Stewart seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

The Board discussed garbage collection matters and reviewed the 2023 annual consumer price index ("CPI") adjustment letter for the District prepared by Texas Pride Disposal, a copy of which is attached, showing the current rate for curbside service with recycling will increase from \$22.26 to \$23.15 per month per residence. Discussion ensued.

The Board then discussed a tentative plan to implement the excessive trash handling policy. Mr. Muse stated he will prepare a plan to implement the policy following further discussions with Texas Pride Disposal.

Following discussion, Director Fateh moved to approve the CPI adjustment effective July 1, 2023. Director Dudley seconded the motion, which passed unanimously.

SECURITY PATROL MATTERS

Officer Johnson reported on security patrol matters in the District. A copy of the security patrol report is attached. The Board reviewed and discussed the Community Crime Maps for the District and surrounding areas, copies of which are attached to the security patrol report.

Officer Johnson reported the patrol vehicle was taken to Classic Chevrolet to diagnose an overheating issue and replace the radiator, thermostat and oil cooler lines. He stated the cost for the repairs was \$2,130.16 and that Directors Dudley and Stewart authorized the repairs.

Officer Johnson reported the new radar head has been installed on the traffic control sign and the cloud connection is operational.

Officer Johnson updated the Board on the delivery of the new patrol vehicle and delays at the manufacturing plant. He reported Chevrolet is manufacturing black Tahoe patrol vehicles if the District would consider changing the patrol vehicle color

preference. He noted a Chevrolet Tahoe would cost more than a Ford Explorer. Discussion ensued.

Following discussion, Director Dudley moved to (1) approve the security patrol report; (2) accept the repairs to the patrol vehicle in the amount of \$2,130.16; and (3) authorize Officer Johnson to order a black Chevrolet Tahoe for a price not to exceed \$52,000. 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. Cebrian reviewed a detention and drainage facilities report, a copy of which is attached. Discussion ensued regarding the condition of certain nearby properties.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Higgins reported that the Texas legislature has increased the amount a director can receive as a per diem to \$221 per day of service. Discussion ensued regarding implementation of the new maximum allowed per diem for days of service for Directors. Following review and discussion, Director Kelley moved to implement the new maximum allowed Director per diem amount of \$221 per day of service effective June 18, 2023. Director Stewart seconded the motion, which passed unanimously.

Ms. Garcia reviewed the bookkeeper's report, including the District's bills, budget comparison, and investment report. A copy of the bookkeeper's report is attached. Discussion ensued regarding the capital projects fund and budget planning for the fiscal year end October 31, 2024. Following review and discussion, Director Dudley moved to approve the bookkeeper's report and the bills presented for payment, including a hand-written check in the amount of \$20,000.00 payable to Watpa Buddhayan Meditation Center, Inc. Director Stewart seconded the motion, which passed unanimously.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Muse reviewed the operator's report, a copy of which is attached. He reviewed the proposed bill messages with the Board. Mr. Muse reported on an airlock issue with the booster pumps at Water Plant No. 1. He noted all alert systems worked properly and the issue was resolved promptly. After review and discussion, Director Fuentes Mendoza moved to approve the bill message, as presented. Director Kelley seconded the motion, which passed unanimously.

Mr. Muse also presented and reviewed the fire hydrant inspection report, a copy of which is attached. Mr. Muse reported that the estimated cost to repair, install reflectors, waterblast and paint all the fire hydrants is \$19,550.00. He noted the fire

hydrants were last painted in 2020. After review and discussion, Director Dudley moved to authorize MDS to repair, install reflectors, waterblast and paint all the fire hydrants for a cost of \$19,550.00, as recommended by MDS. Director Stewart seconded the motion, which passed unanimously.

The Board discussed adding leak detection monitoring equipment to certain fire hydrants in the system, and requested that MDS present additional information on this equipment for review at the next meeting.

The Board discussed the excessive trash handling policy, customer deposits, amending the District's Rate Order, and the Lead and Copper Rule program.

Mr. Abram presented and reviewed the engineer's report, a copy of which is attached, and provided an update on the status of engineering projects in the District.

Mr. Abram reported the Sanitary Sewer Lift Station No. 1 Rehabilitation project is complete and the lift station is operational. He reviewed and recommended approval of Pay Estimate No. 3 and Final in the amount of \$32,200.00, payable to Pioneer Construction Services LLC ("Pioneer").

Mr. Abram updated the Board on the status of the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project. Mr. Abram reviewed and recommended approval of Change Order No. 1 to the contract with Pardalis Industrial Enterprises, Inc. ("Pardalis") for the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project to increase the contract in the amount of \$47,816.00. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Abram reported on the status of the Alpha and Omega Kingdom Center facility expansion. He stated the contractor will begin constructing the 8-inch public sanitary sewer line on Florence Road once the Texas Department of Transportation permit is renewed.

Following review and discussion, Director Fateh moved to (1) approve Pay Estimate No. 3 and Final in the amount of \$32,200.00, payable to Pioneer for the Sanitary Sewer Lift Station No. 1 Rehabilitation project, based on the engineer's recommendation; and (2) approve Change Order No. 1 in the amount of \$47,816.00 as an increase to the contract with Pardalis for the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Stewart seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND CUSTOMER APPEALS

Mr. Muse 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. A copy of the lists for extensions, adjustments, and write-offs is filed and retained in the District's official records.

The Board next conducted a hearing on the termination of utility service to delinquent accounts. Mr. Muse 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 Fuentes Mendoza moved to (1) approve the extensions, adjustments and write-off accounts as recommended by MDS; and (2) 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.

ANNEXATION MATTERS

The Board discussed the feasibility of the proposed Watpa Buddhayan Meditation Center, Inc. ("Watpa") annexation. Following discussion, Director Fateh moved to withdraw from the proposed Watpa annexation, based on the Board's determination that the annexation is not feasible. Director Kelley seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

Director Dudley updated the Board on updates to the District website.

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

There was no discussion on this matter.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this matter.

RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF FORT BEND CENTRAL APPRAISAL DISTRICT

Ms. Higgins stated the Board has the opportunity to nominate a candidate for the Fort Bend Central Appraisal District Board. Following discussion, the Board concurred to take no action on this agenda item.

ATTORNEY'S REPORT

Ms. Higgins updated the Board regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on July 25, 2023, at 8:30 a.m.

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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