

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

January 28, 2025

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 January, 2025, 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 except Director Fateh, thus constituting a quorum.

Also attending the meeting were Mr. Christopher Velasquez and Jacki Schmidt, residents of the District; David Patterson of Assessments of the Southwest, Inc.; Officer Calvin Johnson; Sandra Leija of Champions Hydro-Lawn, Inc. ("Champions"); Erin Garcia of Myrtle Cruz, Inc.; Austin Muse of Municipal District Services LLC ("MDS"); Chad Abram and Roy Ward of IDS Engineering Group ("IDS"); Elly Vecchio of Phelps & Dunbar, LLP; and Nellie Connally and Kathryn Easey of Allen Boone Humphries Robinson LLP.

Sarah B. Gerdes of Sears, Bennett & Gerdes, LLP, the attorney for Townewest Homeowners Association, Inc. ("TWHOA"), participated by telephone.

PUBLIC COMMENTS

Director Kelley opened the meeting for public comments.

Mr. Velasquez addressed the Board regarding a recurring issue with an obstructed or damaged sewer line that causes the cleanout located in his backyard to overflow. Mr. Muse stated he will investigate the matter and televise the line to determine next steps.

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

CONSENT AGENDA

The minutes from the December 9, 2024, regular meeting, the January 3, 2025, special meeting, and consultant reports were previously distributed. After discussion, Director Kelley moved to remove agenda item 2(b) and approve all 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 December 9, 2024, regular meeting, and the January 3, 2025, special meeting, as submitted; (2) the engineer's report; (3) the operator's report; and (4) accept the disclosure statement from Mary Jarmon, as bookkeeper and investment officer of the District. Director Dudley seconded the motion, which passed unanimously.

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. The Board reviewed the delinquent tax accounts, including the delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached to the tax assessor/collector's report. Discussion ensued. After discussion, Director Dudley moved to approve the tax assessor/collector's report, including payment of the bills. Director Fuentes Mendoza seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

Director Dudley reported on District garbage matters.

PUBLIC COMMENTS (continued)

Director Kelley reopened the meeting for public comments.

Ms. Schmidt requested information relating to the proposed improvements to the Townwest Gulfstream Park. Director Dudley responded to Ms. Schmidt's questions and stated this matter will be discussed later in the meeting.

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

SECURITY PATROL MATTERS

Officer Johnson discussed security patrol matters in the District. A copy of the security patrol report is attached.

Officer Johnson stated he provided the quotes for the speed radar signs to the various homeowner associations for their review, and reported discussing the installation and maintenance costs with the management company. He stated the management company inquired who would be responsible for retrieving the data from the signs. The Board concurred that all purchase, installation and maintenance costs, as well as data management and retrieval, for any speed radar signs purchased by a homeowner association would be the homeowner association's responsibility. Further discussion ensued regarding the purchase by the District of another speed radar sign to be placed on Towneway Drive at an estimated cost of \$4,000.00 for the purchase, installation, and data plan. The Board then reviewed the security expense line items in the District's budget.

Officer Johnson presented a proposal from Tapco in the amount of \$437.00 for the purchase of four speed limit signs with brackets. He also requested MDS's assistance in getting the speed limit signs installed.

Officer Johnson reported having one tire replaced on the patrol vehicle. He requested authorization to purchase a tire insurance certificate from Discount Tire at an estimated cost of \$200.00-\$300.00.

After review and discussion, Director Dudley moved to (1) approve the purchase of four speed limit signs and installation by MDS for a total cost not to exceed \$550.00; (2) approve the purchase of a tire insurance certificate from Discount Tire; and (3) approve the purchase of a speed radar sign, including installation by MDS and a data plan, for a total cost not to exceed \$4,500.00. Director Stewart seconded the motion, which passed unanimously.

DETENTION AND DRAINAGE FACILITIES AND LANDSCAPING REPORT FROM CHAMPIONS HYDRO-LAWN, INC., PROJECTS, AND RELATED AGREEMENTS

Ms. Leija reviewed a detention and drainage facilities report, a copy of which is attached.

Director Fuentes Mendoza reported that he and John McDonald of MDS inspected the District's detention and drainage facilities. Director Fuentes Mendoza reported on overgrown vegetation, trash and construction debris, and tree maintenance items that need attention. Ms. Leija stated she will prepare a proposal for the next meeting to address these items, as well as to address piping material and turf establishment in the area noted at the bottom of page 13 of her report.

Ms. Leija reviewed a proposal in the amount of \$22,461.91 to remove and replace an interceptor pipe along the Belknap Road detention pond behind 10507 Overview Drive. The Board requested that Ms. Leija work with MDS to further inspect the

District's drainage channels for additional repair items and present an updated proposal for the Board's review at the next meeting.

Ms. Leija reported on debris and a bridge built by a homeowner along the Townewest Channel swale behind 10222 Kent Towne Lane. The Board requested that MDS notify the resident in writing regarding the stormwater violation and demand the debris be removed prior to the next Board meeting.

Ms. Leija reported on additional fencing debris along the Townewest Channel. Mr. Abram stated these areas are in the Fort Bend County drainage easement and recommended contacting the County for debris removal.

Officer Johnson noted there is graffiti along the fence behind 10115 Old Towne Lane and recommended having it immediately removed. The Board requested that Officer Johnson send correspondence to the homeowner association requesting the graffiti be removed.

Mr. Muse reported that MDS cleaned up the debris on Florence Road and will backcharge the automotive shop for the cost of the debris removal.

Mr. Abram stated that the Fort Bend County Road and Bridge Department will address the maintenance needed along the electrical easement behind 10538 Belknap Road.

Ms. Leija stated there are no items for the Board's approval.

FINANCIAL AND BOOKKEEPING MATTERS

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. Ms. Garcia noted the following hand-written checks are also being presented for approval, but are not included in her report ("Additional Checks"):

1. Check no. 3096 in the amount of \$200.00 payable to the TWHOA to rent the Townewest Clubhouse for today's meeting; and
2. Check no. 3097 in the amount of \$285.97 payable to First Tire & Automotive to replace the tire on the patrol vehicle.

Following review and discussion, Director Fuentes Mendoza moved to approve the bookkeeper's report and the bills presented for payment, including the Additional Checks. Director Stewart seconded the motion, which passed unanimously.

QUARTERLY BUDGET REVIEW

The Board next conducted a quarterly review of the District's budget.

WASTE DISPOSAL CONTRACT WITH THE CITY OF HOUSTON

Ms. Connally noted the District's Waste Disposal Contract with the City of Houston expires on May 22, 2025. Mr. Abram stated he will contact the City of Houston regarding a renewal of the contract.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Muse reviewed the operator's report, a copy of which is attached. He also reviewed the proposed bill message with the Board.

Mr. Muse provided an update on work orders related to Mr. Velasquez's sanitary sewer line. He stated the most recent work order determined there was a blockage in the District's main sanitary sewer line that is currently being repaired. He stated he will contact Mr. Velasquez regarding the status of the repair.

Mr. Muse updated the Board on the status of plan review and site visits to the fine arts facilities.

After review and discussion, Director Dudley moved to (1) approve the operator's report; and (2) approve the bill message. 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. Mr. Muse stated nine of the accounts recommended for write-off relate to contractor damage during fiberoptic line installation.

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 Dudley 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 Stewart seconded the motion, which passed unanimously.

UPDATE ON PROPERTY ACQUISITION MATTERS AND AUTHORIZE APPROPRIATE ACTION

Ms. Vecchio summarized the property acquisition negotiations with the TWHOA to date and discussed the Board's intention to approve and execute the side letter agreement with the TWHOA. Discussion ensued with Ms. Gerdes.

DISTRICT WEBSITE MATTERS

Director Dudley updated the Board on the District's website. She stated a link was added to the home page for taxpayers to pay their District tax bills. The Board concurred to also move the link for residents to pay their water bills to the home page.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this agenda item.

TOWNE HALL RENTAL POLICIES AND USAGE AGREEMENT WITH TOWNWEST HOMEOWNERS ASSOCIATION ("TWHOA")

Director Dudley reported that the Towne Hall Rental Policies and Usage Agreement with the TWHOA expired on December 31, 2024. She stated a new rental agreement was presented to the TWHOA for review, and that the TWHOA has requested changes to certain provisions of the agreement. Discussion ensued. The Board deferred action on this agenda item.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 10:24 a.m. pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Present in executive session were Directors Kelley, Stewart, and Dudley, Ms. Vecchio, Ms. Connally, Ms. Easey, Mr. Abram, and Mr. Ward. Director Fuentes Mendoza was not present in executive session.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 11:20 a.m. Director Kelley moved to (1) authorize Ms. Vecchio to present the terms and deadlines to the TWHOA relating to acceptance of the side letter agreement; and (2) approve the side letter agreement, subject to approval by the TWHOA by the stated deadline, as discussed in executive session, and direct that the side letter agreement be filed appropriately and retained in the District's official records. Director Stewart seconded the motion, which passed by a vote of 3 to 0, with Director Fuentes Mendoza abstaining from the vote.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY TO CONDEMN PROPERTY AND, IF APPROPRIATE, ADOPT RESOLUTION AUTHORIZING ACQUISITION OF REAL PROPERTY TO CONFIRM THE EXISTENCE OF A PUBLIC NECESSITY FOR THE ACQUISITION OF CERTAIN PROPERTIES AND PROPERTY INTERESTS ALONG THE ROUTE DESCRIBED IN THE RESOLUTION

Ms. Vecchio discussed the condemnation process with the Board. She then presented and requested approval of a Resolution Authorizing Acquisition of Real Property and Initiation of Condemnation Proceedings (the "Resolution"). Following review and discussion, Director Dudley made the following motion: "I move that the Board of Directors of Fort Bend County Municipal Utility District No. 2, in a record vote, adopt the proposed Resolution and authorize the use of the power of eminent domain to acquire property interests necessary for the construction and completion of a storm water detention facility and related appurtenances and facilities necessary for the District's Water Plant No. 1 Improvement Project needed to provide water and sanitary sewer service and drainage for property located within the District, in, over, under, across, and through those certain tracts of land more particularly described and depicted in Exhibit A and Exhibit B and described in Exhibit C attached to the Resolution." Director Kelley seconded the motion, which passed by a vote of 3 to 0, with Director Fuentes Mendoza abstaining from the vote.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS (continued)

Mr. Ward 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 as noted in his report.

Mr. Ward updated the Board regarding the construction of the Townewest Channel Improvements and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$97,920.00, payable to Rally Construction.

Mr. Abram requested authorization for IDS to begin discussions with Fort Bend County regarding alternative drainage into the Townewest Channel and related channel improvements.

Following review and discussion, Director Dudley moved to (1) approve the engineer's report; (2) based on the engineer's recommendation, approve Pay Estimate No. 1 in the amount of \$97,920.00, payable to Rally Construction for the construction of the Townewest Channel Improvements; and (3) authorize IDS to begin discussions with Fort Bend County regarding alternative drainage into the Townewest Channel and related channel improvements. Director Fuentes Mendoza seconded the motion, which passed unanimously.

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

Director Dudley discussed hosting a recycling event with Pro Shred on March 22, 2025, between 10:00 a.m. and 2:00 p.m. at a location to be determined.

ANNEXATION MATTERS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Connally reported on the District's compliance activities during the calendar year related to bond financings. She stated no corrective action is required at this time.

RESOLUTION ADOPTING COVERED APPLICATIONS POLICY

Ms. Connally discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or -leased devices. She stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Ms. Connally reviewed the proposed Covered Applications Policy with the Board. After review and discussion, Director Kelley moved to adopt a Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Fuentes Mendoza seconded the motion, which passed unanimously.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on February 25, 2025, 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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