

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

August 22, 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 22<sup>nd</sup> day of August, 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 Craig Rathmann of Rathmann & Associates, L.P.; Brittany Keeswood of Assessments of the Southwest, Inc.; Greg East of Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"); Aimee Ordeneaux Raley of Texas Pride Disposal Solutions LLC ("Texas Pride"); Officer Calvin Johnson; Luis Cebrian of Champions Hydro-Lawn, Inc. ("Champions"); Jackie Noyola of Myrtle Cruz, Inc.; Austin Muse of Municipal District Services LLC ("MDS"); Chad Abram of IDS Engineering Group ("IDS"); 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 July 25, 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 July 25, 2023, regular Board meeting, as submitted; (2) the engineer's report; and (3) the operator's report. 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 and posting of the updated notice to purchaser to the District's websites and MDS's website. After discussion, Director Dudley moved to approve the tax assessor/collector's report, including payment of the bills. Director Kelley seconded the motion, which passed unanimously.

### DELINQUENT TAX REPORT AND HEARING REGARDING TERMINATION OF SERVICE TO DELINQUENT TAX ACCOUNTS

Mr. East presented and reviewed the delinquent tax report regarding the status of the District's delinquent tax collections, including the accounts recommended for water service termination. A copy of the delinquent tax report is attached. After review and discussion, Director Dudley moved to authorize termination of water and wastewater service to the delinquent tax accounts recommended by Perdue due to the fact that said accounts had neither contacted the District nor had appeared at the Board meeting to discuss their tax accounts. Director Kelley seconded the motion, which passed unanimously.

### DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Rathmann reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.205 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$507,864,949, plus \$1,083,668 representing 90% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Rathmann discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Fateh moved to (1) set the public hearing date for September 26, 2023; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on September 26, 2023, to set the proposed 2023 total tax rate of \$0.54 per \$100 of assessed valuation, with \$0.205 allocated for debt service on water, sewer, and drainage bonds, and \$0.335 allocated for operations and maintenance. Director Kelley seconded the motion, which passed unanimously.

### GARBAGE AND RECYCLING MATTERS

Ms. Ordeneaux Raley updated the Board on business operations at Texas Pride. The Board discussed garbage collection matters, including excessive trash and bulk waste

handling and preparation of an updated door tag for unacceptable and uncollected items. Discussion ensued regarding the Excess Trash Move Out Policy and general guidelines for collecting and adding excessive trash pick-up charges to a customer's final bill, as well as the handling of customer deposit refunds. The Board requested that Texas Pride service the James West Community Center on all regularly scheduled pickup days.

#### 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 repair a coolant reservoir leak. He stated there was no charge for the repair.

Officer Johnson updated the Board on the expected delivery of the new patrol vehicle.

Officer Johnson recommended, in his capacity as the independent contractor responsible for security staffing decisions, that the District hire a new security officer, Benjamin Hudson, and he requested the District's approval of the related Security Services Contract for Officer Hudson.

Following discussion, Director Dudley moved to authorize execution of the Security Services Contract with Officer Hudson, as recommended by Officer Johnson, subject to finalization. Director Fateh seconded the motion, which passed unanimously.

#### RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board deferred action on this agenda item.

#### 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. The Board requested that Champions and MDS investigate the source of the water in the Townewest drainage channel.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Noyola reviewed the bookkeeper's report, including the District's bills, budget comparison, and investment report. A copy of the bookkeeper's report is attached.

The Board discussed preparation of the proposed budget for the fiscal year end October 31, 2024, including updates to certain expense line items. Ms. Noyola requested that the Board and consultants provide any additional comments on the proposed budget before the budget workshop meeting scheduled for August 29, 2023.

Following review and discussion, Director Kelley moved to approve the bookkeeper's report and the bills presented for payment. Director Dudley 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 message with the Board.

The Board discussed receiving reports from residents of a sulphur smell in the water. Mr. Muse stated MDS will investigate the reports, check the diffusion and supply systems, and flush the affected lines as needed.

Mr. Muse requested authorization to implement the Excess Trash Move Out Policy.

After review and discussion, Director Kelley moved to (1) approve the bill message, as presented; and (2) authorize MDS to implement the Excess Trash Move Out Policy. Director Fateh seconded the motion, which passed unanimously.

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 as noted in his report.

Mr. Abram stated the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project is complete and a final walk-thru inspection is scheduled for August 24, 2023.

Mr. Abram updated the Board on the status of the Water Plant No. 1 Improvement project. He stated the project is scheduled to advertise for bids in October.

Mr. Abram reported on the status of the Alpha and Omega Kingdom Center facility expansion. He stated the Texas Department of Transportation permit was renewed on July 11, 2023, and the contractor is scheduled to begin construction the week of August 21, 2023.

Mr. Abram updated the Board on the status of the Townewest Channel Improvements project to remove and replace seven back slope interceptor structures along the drainage channel. He stated IDS received and addressed comments from the Fort Bend County Drainage District and resubmitted the plans for further agency review and approval on August 16, 2023.

Mr. Abram stated he had no items for the Board's approval.

#### 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 Kelley 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 Fateh seconded the motion, which passed unanimously.

#### ANNEXATION MATTERS

There was no discussion on this matter.

#### DISTRICT WEBSITE MATTERS

Director Dudley updated the Board on the District's website.

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

The Board discussed the Texas Commission on Environmental Quality and its role in surface water regulatory matters.

#### NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this matter.

#### ATTORNEY'S REPORT

There was no discussion on this matter.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on September 26, 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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