

MINUTES  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

July 25, 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 25<sup>th</sup> day of July, 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 Tom Cloninger of Thomas Craig Construction, Inc.; Suttipong Sripan, Srichanda Sripan, Kim Dang, Juthamat Prasertklang, and Suchana Miles of the Watpa Buddhayan Meditation Center ("Watpa"); 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 ("IDS"); and Whitney Higgins and Kathryn Easey of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Director Kelley opened the meeting for public comments.

Mr. Cloninger addressed the Board on behalf of the members of Watpa regarding Watpa's request for water and sanitary sewer services from the District, and requested additional information regarding the District's determination that annexation of the Watpa tract is not feasible.

Ms. Miles, Ms. Dang and Mr. Sripan all addressed the Board regarding Watpa's request for water and sanitary sewer services from the District, and requested additional guidance from the Board on what Watpa needs to do to obtain services and be annexed into the District.

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

## CONSENT AGENDA

The minutes from the June 27, 2023, regular Board meeting and consultant reports were previously distributed. Ms. Keeswood requested that the Board remove agenda item no. 2(b) from the consent agenda. After discussion, Director Dudley 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 June 27, 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. She then reviewed a report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached to the tax assessor/collector's report, regarding the status of the District's delinquent tax collections, including the accounts recommended for water service termination. After discussion, Director Dudley moved to (1) approve the tax assessor/collector's report, including payment of the bills; and (2) authorize termination letters to be sent to the delinquent tax accounts recommended by the delinquent tax attorney. Director Fuentes Mendoza seconded the motion, which passed unanimously.

## ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Higgins discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year.

Following review and discussion, Director Fuentes Mendoza moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing District for the 2023 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Stewart seconded the motion, which passed unanimously.

## GARBAGE AND RECYCLING MATTERS

The Board discussed garbage collection matters, including performance issues, excessive trash and bulk waste handling, and preparation of an updated door tag for unacceptable and uncollected items. Director Fateh stated the updated door tag will be presented for review at the next Board meeting.

## 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 continued overheating issues. He stated the water pump was replaced and that the cost for the repair was covered under the vehicle's warranty.

Officer Johnson updated the Board on the availability and delivery of a new patrol vehicle and delays at the manufacturing plants. He reported the Chevrolet Tahoe discussed at the prior meeting was no longer immediately available and would cost more than the Ford Explorer. He discussed additional vehicle options, but after further research he stated those vehicles experienced durability issues under the rigors of patrol.

The Board took no 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. He reported there are homeowner fences falling down along the District's drainage channel. The Board discussed notifying homeowners regarding fencing and debris in the District's drainage channel located behind their properties. The Board then discussed road construction on Old Richmond Rd.

## 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 stated that check no. 2122 in the amount of \$350.89 payable to Jim Tan for an overpayment on his utility account was voided and a stop payment request was issued. She noted that Mr. Tan's overpayment refund is being re-issued as hand-written check no. 2285 and presented for approval, but is not included in her report.

The Board reported that a number of residents' mailboxes were vandalized and residents had mail stolen that may result in late payments being made on customer accounts.

Following review and discussion, Director Dudley moved to approve the bookkeeper's report and the bills presented for payment, including hand-written check no. 2285 in the amount of \$350.89. Director Stewart seconded the motion, which passed unanimously.

#### QUARTERLY BUDGET REVIEW

The Board reviewed and discussed the District's budget for the fiscal year end October 31, 2023, and the proposed budget for the fiscal year end October 31, 2024.

#### 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 and noted the text alert information will be corrected.

The Board discussed a temporary power outage at Water Plant No. 1 that resulted in low water pressure. Mr. Muse stated the generator at Water Plant No. 1 is exercised weekly, and on July 2, 2023, the generator operated as designed under a full load bank test.

The Board discussed a customer's request to have the water meter checked for high water usage. Mr. Muse stated MDS promptly checks water meters if requested to do so by a customer.

Mr. Muse reviewed the proposed Excess Trash Move Out Policy with the Board, a copy of which is attached to the operator's report. Discussion ensued regarding the process for adding excessive trash pick-up charges to a customer's final bill and the handling of customer deposit refunds. The Board concurred that, if no excessive trash remains at the customer's service address fifteen days after an account has been closed, a determination regarding the release of the deposit will be made.

Mr. Muse reviewed a Notice of Violation from the Texas Commission on Environmental Quality ("TCEQ") relating to overgrown vegetation inside and outside the fence at Water Plant No. 1, and he discussed the corrective actions taken.

After review and discussion, Director Dudley moved to approve the bill message, as amended. Director Fuentes Mendoza 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.

Mr. Abram updated the Board on the status of the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project. He reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$35,100.00, payable to Pardalis Industrial Enterprises, Inc. ("Pardalis"). He also reviewed and recommended approval of Change Order No. 2 to the contract with Pardalis to increase the contract in the amount of \$6,000.00 to remove and replace the interior climbing safety system. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Abram reviewed the plans and specifications and requested the Board authorize IDS to advertise for bids for the Water Plant No. 1 Improvement project. He reported the coordination with CenterPoint Energy, Inc. ("CenterPoint") for the extension of the natural gas service line for the proposed emergency generator at Water Plant No. 1 is complete. He reviewed and recommended approval of CenterPoint's invoice in the amount of \$36,030.00 for the extension of the natural gas service line.

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 plans were submitted to Fort Bend County and the Fort Bend County Drainage District for review on July 17, 2023.

Following review and discussion, Director Fateh moved (1) based on the engineer's recommendation and the Board's finding that the change order is beneficial to the District, to approve Pay Estimate No. 4 in the amount of \$35,100.00 and Change Order No. 2 in the amount of \$6,000.00 as an increase to the contract with Pardalis for the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project; (2) to approve the plans and specifications and to authorize IDS to advertise for bids for the Water Plant No. 1 Improvement project; and (3) to approve CenterPoint's invoice in the amount of \$36,030.00 for the extension of the natural gas service line for the Water Plant No. 1 Improvement Project. Director Dudley 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 considered a request from a resident for a credit in the amount of \$114.04 for late payment charges due to an expired credit card. Mr. Muse reported that the customer has an excellent payment history.

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; (2) approve the resident's request for a credit in the amount of \$114.04; and (3) 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 Fuentes Mendoza seconded the motion, which passed unanimously.

#### AMENDED RATE ORDER

The Board considered amending the District's Rate Order to increase the rate for sewer by \$0.89, and to increase the Single-Family Residential User security deposit to \$300.00 where the customer is the owner of the property to be served, as recommended by the District's operator. Following review and discussion, Director Dudley moved to amend the District's Rate Order, as discussed, effective July 25, 2023, and direct that the Rate Order be filed appropriately and retained in the District's official records. Director Fateh seconded the motion, which passed unanimously.

#### ANNEXATION MATTERS

There were no updates on this matter.

#### 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

The Board discussed the Townewest Homeowners Association, Inc. Board of Directors Annual Meeting held July 20, 2023, and discussions with Fort Bend County representatives regarding potential partnerships. Discussion ensued regarding providing Fort Bend County a list of streets in the District needing repair. Following

discussion, the Board concurred to authorize IDS to prepare a parcel map with street addresses and storm sewer stage 2 inlet information for the Board's review at the next meeting.

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

Mr. Muse reported on the NFBWA 2023 Water Conservation Program and discussed incentives for using smart water devices and customer rebate offers.

#### AMENDMENT TO INFORMATION FORM

Ms. Higgins reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Higgins explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the TCEQ. After review and discussion, Director Fuentes Mendoza moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Fateh seconded the motion, which passed unanimously.

#### RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF FORT BEND CENTRAL APPRAISAL DISTRICT ("FBCAD")

Ms. Higgins stated that water districts elect one member to the Board of Directors of the FBCAD, and the District is eligible to cast five votes for its preferred water district nominee. After review and discussion, Director Fuentes Mendoza moved to adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the FBCAD reflecting five votes in favor of Michael D. Rozell and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kelley seconded the motion, which passed unanimously.

#### ATTORNEY'S REPORT

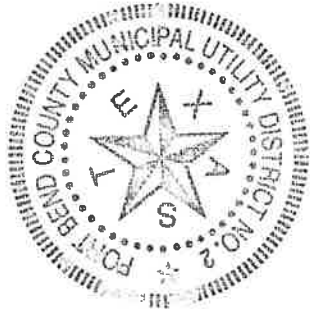
There was no discussion on this matter.

#### DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on August 22, 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



LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Engineer's report.....	2
Operator's report.....	2
Tax assessor/collector's report .....	2
Security patrol report .....	3
Detention and drainage facilities report.....	3
Bookkeeper's report.....	3