

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

January 24, 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 24th day of January, 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 November 29, 2022 regular meeting and the January 3, 2023 special 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 November 29, 2022 regular meeting and the January 3, 2023 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 Fuentes Mendoza seconded the motion, which passed unanimously.

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

QUARTERLY BUDGET REVIEW AND ADOPT AMENDED BUDGET FOR FISCAL YEAR END OCTOBER 31, 2023

There was no discussion on this agenda item.

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. 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.

GARBAGE AND RECYCLING MATTERS

The Board discussed garbage collection matters, including establishing user deposits, managing excessive trash pickup, limiting the number of bagged trash items from ten bags to six bags, updating the user policy, and working with the homeowner associations in the District on enforcement measures related to excessive trash.

SECURITY PATROL MATTERS

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

Officer Johnson discussed adding software to all of the traffic control signs in order to capture traffic pattern data for analysis. He presented and reviewed a preliminary cost estimate for the software from Traffic and Parking Control Co., Inc. ("TAPCO") in the amount of \$2,500.00. He stated he will continue to negotiate with TAPCO to try to obtain a lower cost estimate.

Discussion ensued regarding school-related traffic matters and signage in the District.

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 updated condition of certain nearby properties. Mr. Cebrian noted that, except for mowing, no additional landscaping services will be performed on Belknap Rd. while construction is ongoing.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

Mr. Muse reviewed the operator's report, a copy of which is attached. He reported on the findings of a collections report analysis and stated the District recovered \$25 from collections in 2022.

Mr. Muse stated the annual review of equivalent single-family connections will be reported at the next meeting.

The Board requested additional information related to a water leak near the interconnect with Kingsbridge Municipal Utility District.

Following review and discussion, Director Dudley moved to approve the bill messages. Director Kelley 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 Sanitary Sewer Lift Station No. 1 Rehabilitation project. He stated he will review plans to determine if the project will affect vehicular traffic patterns and will report his findings to the Board.

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. 1 in the amount of \$16,920.49, payable to Pardalis Industrial Enterprises, Inc.

Mr. Abram updated the Board on the status of the Watpa Buddhayan Meditation Center, Inc. ("Watpa") proposed annexation. He stated he is waiting for Watpa's full set of approved plans and other outstanding items to finalize a feasibility report.

Following review and discussion, Director Dudley moved, based on the engineer's recommendation, to approve Pay Estimate No. 1 in the amount of \$16,920.49 for the Water Plant No. 1 Ground Storage Tank No. 2 Recoating project. 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 considered a request from a resident for an extension of time to pay the remaining account balance in the amount of \$204.54 by no later than February 4, 2023.

The Board considered a request from a resident for a credit in the amount of \$56.55 for a high usage water bill caused by an undetected leak.

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 payment extension request; (3) authorize MDS to credit the resident's account in the amount of \$56.55, subject to the resident providing receipts showing the repairs have been made; and (4) 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.

PUBLIC UTILITY COMMISSION RULES REGARDING EXTREME WEATHER EMERGENCIES, INCLUDING ISSUANCE OF ONE-TIME NOTICE TO CUSTOMERS AND ADOPT AMENDED RATE ORDER

Ms. Higgins discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. She reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023. Ms. Higgins then presented a proposed

Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency. After review and discussion, Director Dudley moved to authorize the operator to send the one-time notice to District customers and to adopt the Amended Rate Order and direct that it be filed appropriately and retained in the District's official records. Director Kelley seconded the motion, which passed unanimously.

ANNEXATION MATTERS

There was no discussion on this agenda item.

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 scheduling a shredding and electronics recycling event in the District and considered implementing an annual tire and battery collection event with Texas Pride Disposal.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

Mr. Muse updated the Board on the District's participation in the Water Provider Conservation Program.

ATTORNEY'S REPORT, INCLUDING ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Higgins 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.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on February 28, 2023, at 8:30 a.m.

There being no further business to come before the Board, the meeting was adjourned by agreement.


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Engineer's report.....	1
Operator's report.....	1
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Security patrol report	2
Detention and drainage facilities report.....	3