

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

March 26, 2024

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 26th day of March, 2024, 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 Panduranga Kuruva of the City of Houston; Chad Nesvadba of Huitt Zollars; Elly Vecchio of Phelps & Dunbar, LLP; Mike Welch and Erica Ries of Integra Realty Resources; Brittany Keeswood of Assessments of the Southwest, Inc.; Luis Cebrian of Champions Hydro-Lawn, Inc. ("Champions"); Erin Garcia of Myrtle Cruz, Inc. ("MCI"); Austin Muse of Municipal District Services LLC ("MDS"); Chad Abram of IDS Engineering Group ("IDS"); and Whitney Higgins and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Kelley opened the meeting for public comments.

Mr. Kuruva addressed the Board on behalf of the members of Watpa Buddhayan Meditation Center, Inc. ("Watpa") regarding Watpa's request for out-of-District water and sanitary sewer services from the District.

Mr. Nesvadba addressed the Board regarding a potential annexation of 40-acres south of Florence Rd. into the District.

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

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

In response to questions received regarding Watpa's request for water and sanitary sewer services from the District, Ms. Higgins stated the District previously

looked into this request and determined it was not feasible for the District to continue to pursue.

The Board next discussed the potential annexation of 40-acres south of Florence Rd. into the District.

CONVENE IN EXECUTIVE SESSION

The Board, except Director Fuentes Mendoza, convened in Executive Session at 9:02 a.m. pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Also present in executive session were Ms. Higgins, Ms. Huston, Ms. Vecchio, Mr. Abram, Mr. Welch and Ms. Ries.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 9:37 a.m. Upon reconvening in open session, Director Dudley moved to authorize Phelps Dunbar to engage Postle Property Services to run title on a parcel of land owned by Townewest Homeowners Association, Inc., and prepare an easement for the District's approval at a future meeting. Director Stewart seconded the motion, which passed by a 4-0 vote with Director Fuentes Mendoza abstaining.

RESOLUTION AUTHORIZING THE EXERCISE OF THE POWER OF EMINENT DOMAIN TO CONDEMN PROPERTY INTERESTS NECESSARY FOR THE CONSTRUCTION AND OPERATION OF A STORM WATER DETENTION FACILITY NECESSARY FOR THE DISTRICT'S WATER PLANT NO. 1 IMPROVEMENT PROJECT TO SERVE RESIDENTS AND PROPERTY WITHIN THE DISTRICT

The Board concurred to defer discussion on this agenda item.

CONSENT AGENDA

The minutes from the February 27, 2024, regular and special Board meetings and consultant reports were previously distributed. After discussion, Director Kelley moved to 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 February 27, 2024, regular and special Board meetings, as submitted; (2) tax assessment and collection's report; (3) the engineer's report; (4) the operator's report; (5) the District's annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions pursuant to SEC Rule 15c2-12; (6) adopt an Order Adopting Amended and Restated Water Conservation Plan, subject to final review, and direct that the Order be filed appropriately and retained in the District's official records; (7) approve the annual report and 5-year implementation report on the Water Conservation Plan, direct that the reports be filed appropriately and retained in the District's official records, and authorize

the District Operator to submit the reports to the appropriate government agencies; (8) approve and authorize ABHR to file the Critical Load Spreadsheet for the District's facilities with all appropriate entities; (9) approve and authorize IDS to file the updated emergency preparedness plan with the Texas Commission on Environmental Quality ("TCEQ"), if needed; (10) adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records; (11) adopt a Resolution Regarding Annual Review of Investment Policy reflecting that the Board determined not to amend the Investment Policy at this time; and (12) adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions reflecting authorized depository institutions of the District as provided by the bookkeeper. Director Dudley seconded the motion, which passed unanimously.

ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

GARBAGE AND RECYCLING MATTERS

Director Fateh updated the Board regarding garbage and recycling matters.

SECURITY PATROL MATTERS

The Board discussed 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.

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.

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. The Board requested MCI to include a separate tracking sheet for expenses related to the potential annexation of the 40-acres south of Florence Rd. Following review and discussion, Director Kelley moved to approve the bookkeeper's report and the bills presented for payment. Director Fuentes Mendoza seconded the motion, which passed unanimously.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS (continued)

Mr. Muse reviewed the operator's report, a copy of which is attached. He reviewed the proposed bill message with the Board. Discussion ensued regarding changes to the bill message. Mr. Muse updated the Board regarding a quote received to re-stripe the intersection near the Townewest Club House and the parking lot. Director Kelley requested Mr. Muse to provide the quote for the parking lot re-striping to the Townewest Homeowner's Association property manager.

Mr. Muse reviewed the annual report on the Identity Theft Prevention Program and stated that the procedures have been implemented and that no significant incidents have occurred. He added that MDS is not recommending any changes to the program.

After review and discussion, Director Dudley moved to approve the bill message, as discussed. 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 addressed the Board regarding the Water Plant No. 1 Improvement project.

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

Discussion ensued regarding the request from the representative from Watpa.

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 noted there are no accounts recommended for write-off. 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 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 Fuentes Mendoza 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 the District's website.

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

Ms. Higgins provided the Board with a Fort Bend County Parks and Trails Vision Plan handout regarding upcoming public meetings to discuss the development by Fort Bend Green and Fort Bend County of a strategic Vision Plan for parks, open spaces, trails, and programming for Fort Bend County that was sent to ABHR. A copy of the handout is attached.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this agenda item.

2024 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the 2024 Directors Election, and she reviewed a Resolution Adopting Voting System. Ms. Higgins then stated that the election will be held on May 4, 2024, and she reported on requirements to post an early voting and election day roster. After discussion, Director Dudley moved to (1) adopt the Resolution Adopting Voting System and direct that the Resolution be filed appropriately and retained in the District's official records; and (2) authorize the early voting and election day roster to be filed and posted as appropriate. Director Fateh seconded the motion, which passed unanimously.


ATTORNEY'S REPORT

Discussion ensued regarding correspondence with the District's landscape architect.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on April 23, 2024, 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)



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