

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

September 26, 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 26th day of September, 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 Bear Oakley and Ana Quintanilla of Acclaim Energy Advisors; Brittany Keeswood of Assessments of the Southwest, Inc.; Kevin Atkinson of Texas Pride Disposal Solutions LLC ("Texas Pride"); Officer Calvin Johnson; Erin Garcia of Myrtle Cruz, Inc.; Rebecca Marcucci 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 August 22, 2023, regular Board meeting and the August 29, 2023, special Board meeting and consultant reports were previously distributed. After discussion, Director Fuentes Mendoza 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 August 22, 2023, regular Board meeting and the August 29, 2023, special Board meeting, as submitted; (2) the engineer's report; and (3) the operator's report. Director Stewart seconded the motion, which passed unanimously.

ELECTRICITY MATTERS

Mr. Oakley discussed the electricity market with the Board. He confirmed the District is under contract with Hudson Energy through November 30, 2026.

GARBAGE AND RECYCLING MATTERS

Mr. Atkinson updated the Board on business operations at Texas Pride and discussed Texas Pride's request to amend the Residential Solid Waste Collection Contract with the District to implement a variable energy charge beginning January 1, 2024. Discussion ensued regarding delaying the implementation of a variable energy charge.

The Board then discussed excessive trash and bulk waste handling, recycling materials handling, and the status of an updated door tag for unacceptable and uncollected items. Mr. Atkinson addressed the Board's questions relating to recycling and customer concerns regarding leaking trucks and street cleaning.

The Board took no action 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. 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. After discussion, Director Kelley moved to approve the tax assessor/collector's report, including payment of the bills. Director Dudley seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Keeswood stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.54.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Higgins presented an Order Levying Taxes reflecting the proposed 2023 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Dudley moved to (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.54 per \$100 of assessed valuation, comprised of \$0.205 to pay debt service on water, sewer, and drainage bonds, and \$0.335 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Fateh seconded the motion, which passed unanimously.

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 for maintenance related to a low oil pressure reading. He stated Classic Chevrolet changed the oil and will perform an oil consumption test on the patrol vehicle in 2,000 miles.

Officer Johnson stated a vehicle identification number was issued for the District's new patrol vehicle and the patrol vehicle is expected to be delivered in December.

Officer Johnson stated Benjamin Hudson has accepted another job and will not be joining the District's security patrol team. Officer Johnson stated he will continue to search for another security officer.

The Board then discussed graffiti removal on Townewest Blvd.

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

The Board discussed dead plants in the landscaped areas along Belknap and Ms. Marcucci stated the irrigation meter shows no usage. The Board requested that Director Fuentes Mendoza coordinate with Champions to check the irrigation system.

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 hand-written check no. 2476 from the new deposit refund account in the amount of \$217.60, payable to Jose Espinoza for a deposit refund, is also being presented for approval but is not included in her report.

Following review and discussion, Director Dudley moved to approve the bookkeeper's report and the bills presented for payment, including the hand-written check in the amount of \$217.60 payable to Jose Espinoza. Director Stewart seconded the motion, which passed unanimously.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

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 reviewed the plans and specifications and requested the Board authorize IDS to advertise for bids for the Water Plant No. 1, Hydropneumatic Tank No. 1 and No. 2 Recoating Project.

Mr. Abram updated the Board on the status of the Water Plant No. 1 Improvement Project. He stated the plans have been reviewed and IDS will address agency comments related to onsite detention improvements that will need to be constructed to mitigate additional water run-off due to the added impervious cover of the new generator pad and hydroneumatic tank. Mr. Abram requested the Board authorize IDS to advertise for bids for the Water Plant No. 1 Improvement Project once a solution for the onsite detention improvements has been finalized and approved.

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 the plans for the project have been approved and IDS is preparing the bid package.

The Board requested that MDS provide an update on the status of the installation of the air release valve on the Kingsbridge Municipal Utility District interconnect at the next meeting.

The Board discussed improvements being performed by the Fort Bend County Road and Bridge Department on West Belfort.

Following review and discussion, Director Fateh moved to (1) approve the plans and specifications and to authorize IDS to advertise for bids for the Water Plant No. 1, Hydropneumatic Tank No. 1 and No. 2 Recoating Project; and (2) approve the plans and specifications and to authorize IDs to advertise for bids for the Water Plant No. 1 Improvement Project, subject to the onsite detention improvement plans being finalized and approved. Director Stewart seconded the motion, which passed unanimously.

Ms. Marcucci reviewed the operator's report, a copy of which is attached. She reviewed the proposed bill message with the Board. The Board noted that the text message number of 484848 is incorrect and asked that it be corrected.

The Board discussed replacing the damaged fence panel at the Lift Station and requested that MDS inspect the entire fence for any issues that may have been caused by the drought.

The Board reviewed the aged receivables items in the operator's report. Ms. Marcucci noted the 90-day receivables line item includes a back charge in the amount of \$11,000.00 to CenterPoint Energy, Inc. for damage to District facilities, and a rental meter charge to G3 Underground in the amount of \$3,200.00. She stated G3 Underground rented the meter for the Alpha and Omega Kingdom Center. The Board requested that MDS send notice to the Alpha and Omega Kingdom Center requesting the rental meter be returned.

After review and discussion, Director Kelley moved to approve the bill message, as amended. Director Fuentes Mendoza seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND CUSTOMER APPEALS

Ms. Marcucci 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. Ms. Marcucci 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 Fuentes Mendoza 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 National Night Out events for Townewest Community Improvement Association, Townewest Homeowners Association, and Riverway Estates.

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 October 24, 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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