

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

December 5, 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 5th day of December, 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:

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|---------------------------|--------------------------|
| 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. ("Champions"); 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 ("ABHR").

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 October 24, 2023, regular Board meeting and consultant reports were previously distributed. 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 October 24, 2023, regular Board meeting, as submitted; (2) the engineer's report; (3) the operator's report; and (4) authorize up to three per diems, six meals, two hotel nights, and an advance, if requested, in the amount of up to \$1,000 for any Director attending the Association of Water Board Directors winter conference if submitted in accordance with the District's travel reimbursement guidelines. Director Fuentes Mendoza 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. The Board reviewed the delinquent tax accounts. After review and discussion, Director Kelley moved to approve the tax assessor/collector's report, including payment of the bills. Director Fuentes Mendoza seconded the motion, which passed unanimously.

AUTHORIZE DELINQUENT TAX ATTORNEY TO MAIL NOTICE OF PUBLIC HEARING FOR TERMINATION OF WATER AND SEWER SERVICE FOR DELINQUENT TAX ACCOUNTS

The Board reviewed a report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), 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 to the tax assessor/collector's report. After review and discussion, Director Kelley moved to authorize termination letters to be sent to the delinquent tax accounts recommended by Perdue. Director Fuentes Mendoza 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.

GARBAGE AND RECYCLING MATTERS

Director Fateh reported on garbage and recycling matters.

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. Mr. Cebrian reported a resident on Kent Towne Lane constructed a bridge on the District's detention facilities that is covering up an interceptor. The Board requested that Champions remove the bridge.

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.

Discussion ensued regarding the District's final budget for fiscal year end October 31, 2023. Following review and discussion, Director Dudley 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

Mr. Muse reviewed the operator's report, a copy of which is attached. He reviewed the proposed bill message with the Board.

Mr. Muse reviewed a proposal from NTS Pumps, Motors and Controls ("NTS") in the amount of \$16,750.00 to replace the variable frequency drive on Booster Pump No. 4 at Water Plant No. 1.

After review and discussion, Director Dudley moved to (1) approve the bill message, as presented; and (2) approve the proposal from NTS in the amount of \$16,750.00. 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 Year 5 Annual Report for the Texas Pollutant Discharge Elimination System (TPDES) Small Municipal Separate Storm Sewer System (MS4) General Permit is due April 24, 2024, and requested authorization to begin preparation of the Year 5 Annual Report.

Mr. Abram updated the Board on the status of the Water Plant No. 1, Ground Storage Tank No. 2 Recoating Project. He stated the work and all inspection punch list items are complete, except for replacement of the access hatch which is scheduled to be installed on December 4, 2023. Mr. Abram reviewed and recommended approval of Change Order No. 3 to the contract with Pardalis Industrial Enterprises, Inc. ("Pardalis") for the Water Plant No. 1, Ground Storage Tank No. 2 Recoating Project to increase the contract in the amount of \$2,000.00 for additional work associated with the access hatch. The Board determined that Change Order No. 3 is beneficial to the District.

Mr. Abram stated that bids were received for construction of the Townewest Channel Improvements. He recommended that the Board award the contract to Rally Construction ("Rally") in the amount of \$119,500.00. Discussion ensued. The Board concurred that, in its judgment, Rally is a responsible bidder who will be most advantageous to the District and will result in the best and most economical completion of the project.

Director Kelley left the meeting.

Following review and discussion, Director Dudley moved to (1) authorize IDS to begin preparation of the Year 5 Annual Report; (2) approve Change Order No. 3 in the amount of \$2,000.00 as an increase to the contract with Pardalis for the Water Plant No. 1, Ground Storage Tank No. 2 Recoating Project, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (3) award the contract for construction of the Townewest Channel Improvements to Rally in the amount of \$119,500.00, based upon the engineer's recommendation and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Fateh 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 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 Fateh seconded the motion, which passed unanimously.

SETTLEMENT CLASS CRITERIA REGARDING DUPONT AND 3M CLASS ACTION SETTLEMENTS

Ms. Higgins stated this matter will be discussed in executive session pursuant to Section 551.071, Texas Government Code.

ANNEXATION MATTERS

The Board discussed current and potential out-of-district service agreements.

TOWNE HALL RENTAL POLICIES AND USAGE AGREEMENT WITH TOWNEWEST HOMEOWNERS ASSOCIATION

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

The Board discussed the Texas Department of Public Safety's (TXDOT) 2023 Highway Safety Improvement Program and potentially partnering with TXDOT, the City of Sugar Land and Fort Bend County on road and drainage improvements along Florence Road.

Ms. Higgins stated there was no update on the Board's request to utilize a section of the Townewest Homeowners Association, Inc.'s Gulfstream Park for Water Plant No. 1 stormwater detention. Discussion ensued.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

The Board discussed touring the NFBWA facilities.

RESOLUTION CASTING VOTE FOR BOARD OF DIRECTOR ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT

The Board considered adopting a Resolution Voting for Director in the Board of Directors Election for the Fort Bend Central Appraisal District. After review and discussion, Director Dudley moved to adopt a Resolution Voting for Director in the Board of Directors Election for the Fort Bend Central Appraisal District reflecting the District's votes cast in favor of Michael D. Rozell and direct that the Resolution be filed appropriately and retained in the District's official records. Director Stewart seconded the motion, which passed unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Higgins reported ABHR will file the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas on behalf of the District. Discussion ensued regarding the process for using the District's eminent domain authority.

ATTORNEY'S REPORT

There was no discussion on this matter.

DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on January 23, 2024, at 8:30 a.m.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in Executive Session at 10:14 a.m. pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney to seek and receive legal advice. Also present in executive session were Ms. Higgins and Ms. Easey of ABHR. The Board additionally determined that the attendance in this executive session of Mr. Abram of IDS and Mr. Muse of MDS was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in open session at 10:20 a.m. No action was taken by the Board.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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