

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

January 23, 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 23rd day of January, 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:

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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 Michael Akaya, a resident of the District; 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 and Roy Ward of IDS Engineering Group ("IDS"); and Whitney Higgins and Holly Huston 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 December 5, 2023, regular Board meeting, January 3, 2024, special Board meeting, and consultant reports were previously distributed. After discussion, Director Dudley 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 December 5, 2023, regular Board meeting, and the January 3, 2024, special Board meeting, as submitted; (2) tax assessor collector's report; (3) the engineer's report; (4) the operator's report; and (5) accept the disclosure statement from Mary Jarmon, as bookkeeper and investment officer of the District. Director Stewart seconded the motion, which passed by a 3-0 vote with Directors Kelley and Fateh abstaining.

GARBAGE AND RECYCLING MATTERS

Director Fateh reported on garbage and recycling matters.

PUBLIC COMMENTS CONTINUED

Director Kelley opened the meeting for additional public comments.

Mr. Akaya addressed the Board regarding his water bills and disconnection for non-payment of the same. In response to comments from Mr. Akaya, Mr. Muse stated he will look into his account and follow up with him.

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. Officer Johnson updated the Board on the delivery of the new patrol vehicle.

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. She requested Board approval of additional check no. 2536 in the amount of \$9,987.64 payable to Emergency Fleet. Following review and discussion, Director Dudley moved to approve the bookkeeper's report and the bills presented for payment, including the additional check as presented. Director Stewart seconded the motion, which passed unanimously.

QUARTERLY BUDGET REVIEW

The Board next conducted a quarterly review of their budget, specifically discussing the water and sewer revenues.

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 presented and reviewed a quote from AZ Services in the amount of \$13,729.34 to repair the right-angle drive at the Water Plant.

The Board next discussed security matters at the District's facilities.

The Board considered approving and authorizing the operator to submit the District's water usage reporting form to the North Fort Bend Water Authority ("NFBWA").

After review and discussion, Director Dudley moved to (1) approve the bill message, as presented; and (2) authorize the operator to submit the District's water usage reporting form to the NFBWA and direct that it be filed appropriately and retained in the District's official records. Director Mendoza seconded the motion, which passed unanimously.

The Board considered amending the District's Rate Order to increase the rate for sewer by \$5.00. Following review and discussion, Director Dudley moved to amend the District's Rate Order, as discussed, effective for the next billing cycle, and direct that the Rate Order be filed appropriately and retained in the District's official records. 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 as noted in his report.

Mr. Abram updated the Board on the MS4 Phase II Storm Water Management Program and the status of the TPDES General Permit No. TXR040000. Mr. Abram stated further discussion on this item can be deferred until the new general permit is received.

Mr. Abram requested board authorization to perform a general inspection of the lift station.

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. Mr. Abram reviewed and recommended approval of Pay Estimate No. 5 and Final payable to Pardalis Industrial Enterprises, Inc. ("Pardalis") in the amount of \$43,638.65, and he recommended the Board accept the project.

Mr. Abram addressed the Board regarding the Water Plant No. 1 Improvement project. Discussion ensued regarding options for additional detention capacity.

Following review and discussion, Director Fateh moved to (1) authorize IDS to conduct a general inspection of the Lift Station; and (2) approve Pay Estimate No. 5 and Final in the amount of \$43,638.65 payable to Pardalis for the Water Plant No. 1, Ground

Storage Tank No. 2 Recoating Project, and accept the project, based on the engineer's recommendation. 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 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 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

The Board discussed attendance at the Association of Water Board Directors Winter Conference.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this agenda item.

ATTORNEY'S REPORT

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.

2024 DIRECTORS ELECTION

Ms. Higgins discussed procedures related to the 2024 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2024 Directors Election Period.

Ms. Higgins reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election.

Ms. Higgins stated that the District may contract with Fort Bend County (the "County") to conduct the District's 2024 Directors Election.

Ms. Higgins reviewed an Order Calling Directors Election.

Ms. Higgins discussed the Notice of Election and noted that the notice will be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County if the District holds a Directors Election.

Following review and discussion, Director Dudley moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2024 Directors Election Period appointing Kathryn Easey as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election as required; (3) contract with the County to administer the District's election; (4) adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records; and (5) authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar the Notice of Election, if required, and to direct that the Notice of Election be filed appropriately and retained in the District's official records. Director Fateh seconded the motion, which passed unanimously.

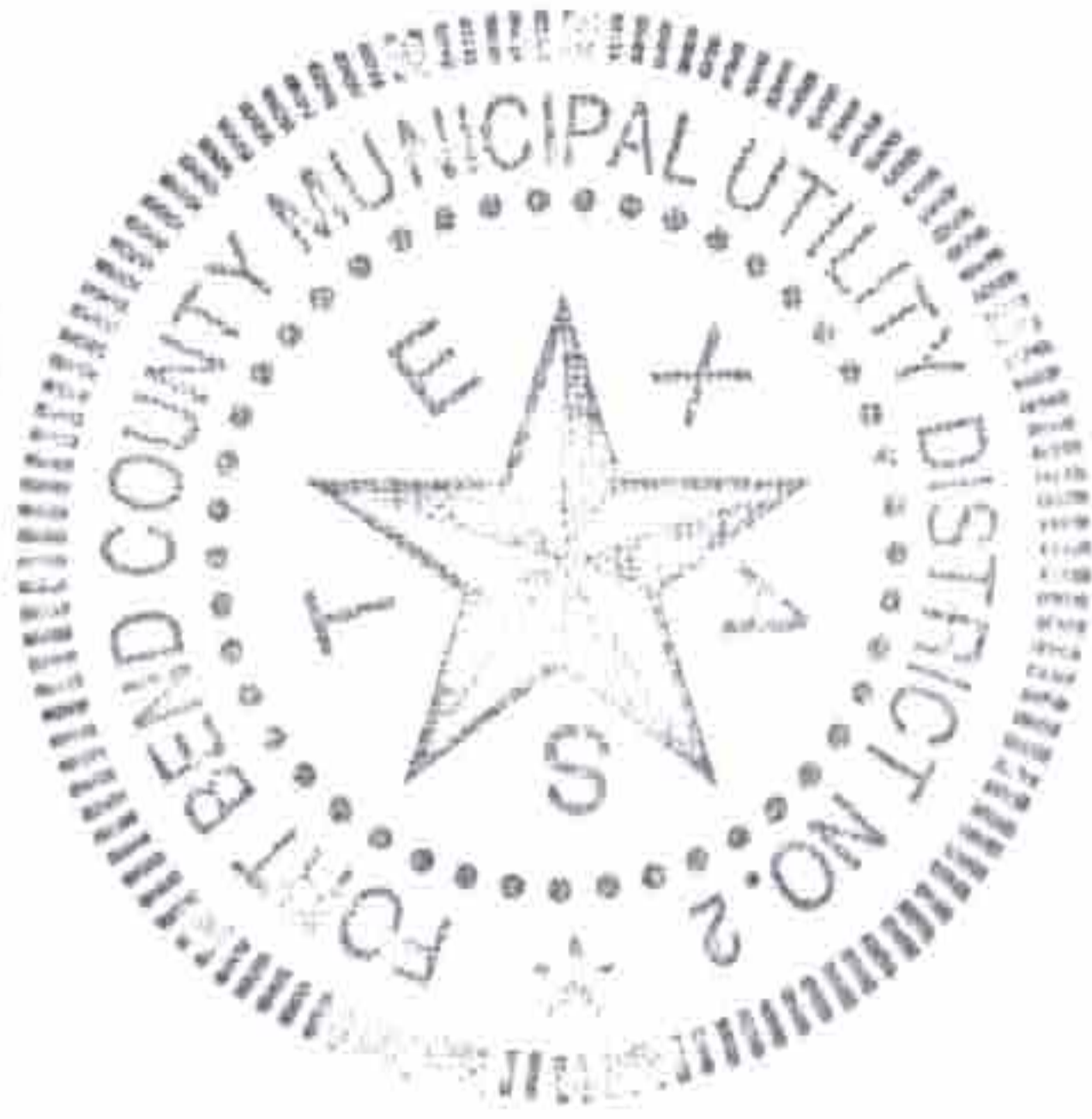
DISCUSS MEETING DATES

The Board concurred to hold the next regular meeting on February 27, 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)



LIST OF ATTACHMENTS TO MINUTES

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