

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

April 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 April, 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 Brittany Keeswood of Assessments of the Southwest, Inc.; Officer Calvin Johnson and Officer Scott Gill; 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 and Roy Ward of IDS Engineering Group ("IDS"); Tara Klein of Four and One, LLC; and Whitney Higgins and Cheryl Panozzo 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 March 26, 2024, regular meeting 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 March 26, 2024, regular meeting, as submitted; (2) the tax assessment and collection's report; (3) the engineer's report; and (4) the operator's report. Director Stewart 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. The Board discussed sending notices to District residents regarding collection of heavy trash and bulk waste. Following discussion, the Board concurred to (1) include a message regarding collection of heavy trash and bulk waste on the water bill; and (2) direct Director Fuentes Mendoza to request that the homeowner's associations send an eblast message regarding collection of heavy trash and bulk waste to District residents.

SECURITY PATROL MATTERS

The Board discussed security patrol matters in the District. A copy of the security patrol report is attached.

Officer Johnson recommended, in his capacity as the independent contractor responsible for security staffing decisions, that the District hire a new security officer, Oscan Alexis Espinoza, and he requested the District's approval of the related Security Services Contract for Officer Espinoza. Following discussion, Director Kelley moved to authorize execution of the Security Services Contract with Officer Espinoza, as recommended by Officer Johnson. Director Fuentes Mendoza seconded the motion, which passed unanimously.

Officer Johnson reported that Fort Bend County has not renewed its contract with Nexis Lexis, which provides entire grid statistics to the District. Following discussion, the Board directed Director Fuentes Mendoza to contact the Fort Bend County Sheriff's Office and the office of Commissioner Andy Meyers, Precinct 3 and request that the contract with Nexis Lexis be renewed by Fort Bend County.

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. Following review and discussion, the Board directed Champions to remove dead vegetation located at the Belknap Road Pond and to check the condition of 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. Following review and discussion, Director Dudley moved to approve the bookkeeper's report and the bills presented for payment. Director Fateh seconded the motion, which passed unanimously.

QUARTERLY BUDGET REVIEW AND ADOPT AMENDED BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2024

The Board reviewed the budget for the fiscal year ending October 31, 2024. The Board took no action on this agenda item.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS

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

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.

Mr. Muse reviewed the annual report and 5-year implementation report on the Water Conservation Plan, copies of which are attached to the operator's report. He stated that the reports were submitted to the Texas Water Development Board prior to the May 1, 2024, deadline.

Mr. Muse reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached, regarding the quality of the District's water and stated that it will be filed with the Texas Commission on Environmental Quality ("TCEQ") and distributed to the District's residents by July 1, 2024.

Mr. Muse also presented and reviewed the fire hydrant inspection report, a copy of which is attached. He reported that the estimated cost to repair the fire hydrants is \$1,736.50 and to install reflectors is \$575.00.

Following review and discussion, Director Dudley moved to (1) approve the bill message; (2) 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; (3) approve the CCR, direct that the CCR be filed appropriately and retained in the District's official records, and authorize it to be filed with the TCEQ and distributed to the District's residents by July 1, 2024; and (4) approve repairing the fire hydrants and installing reflectors, as recommended by MDS. Director Fuentes Mendoza seconded the motion, which passed unanimously.

ANNUAL CONSUMER PRICE INDEX AND ADDENDUM TO SERVICE AGREEMENT WITH MDS; AMEND RATE ORDER

The Board considered a proposed addendum to the Service Agreement with MDS, reflecting a revised rate schedule and the addition of an automatic annual CPI increase. A copy of the proposed rate schedule is attached.

The Board discussed amending the Rate Order to reflect multiple changes due to the changes in the operator's fees. The Board then considered an increase to the temporary water service deposit in the amount of \$5,000.00. Mr. Muse reviewed a draft Amended Rate Order with the changes recommended by MDS and the temporary water service deposit increase.

Following review and discussion, Director Fateh moved to (1) approve the Addendum to the Service Agreement with MDS, as presented, and direct that it be filed appropriately and retained in the District's official records; and (2) adopt the Amended Rate Order to be effective May 1, 2024, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Fuentes Mendoza seconded the motion, which passed by 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 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.

ACTION ITEMS FOR ENGINEERING AND OPERATIONS (CONTINUED)

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 complete and requested authorization to submit the Year 5 Annual Report to the TCEQ on behalf of the District.

Mr. Abram addressed the Board regarding the status of the interconnect with Kingsbridge Municipal Utility District.

Mr. Abram reviewed a request from Texas Precision Metalcraft, Inc. for a resolution in support of the application of Texas Precision Metalcraft, Inc. for a municipal setting designation ("MSD") located at 810 Industrial Boulevard, Sugar Land, Texas. Mr. Abram stated IDS has no objection to the District adopting a resolution in support of the MSD. Following discussion, the Board concurred to consider approving a resolution in support of the MSD at the Board meeting next month.

Following review and discussion, Director Dudley moved to (1) approve the Year 5 Annual Report, authorize IDS to submit the report to the TCEQ, as required, and direct that it be filed appropriately and retained in the District's official records; and (2) based on the engineer's recommendation, approve Pay Estimate No. 1 in the amount of \$12,318.75 for the Water Plant No. 1, Hydropneumatic Tank No. 1 and No. 2 Recoating Project. Director Fateh 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

Mr. Muse provided a report on a recent visit from law enforcement at the Water Plant related to security.

NORTH FORT BEND WATER AUTHORITY ("NFBWA")

There was no discussion on this agenda item.

ATTORNEY'S REPORT

Discussion ensued regarding scheduling the meeting to canvass the District's election. Following discussion, the Board concurred to hold such meeting on May 15, 2024 at 9:00 a.m. at the District's regular meeting location.

UPDATE ON PROPERTY ACQUISITION MATTERS AND AUTHORIZE
APPROPRIATE ACTION

Ms. Higgins stated that this matter will be discussed during executive session.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY TO CONDEMN PROPERTY
AND, IF APPROPRIATE, ADOPT RESOLUTION AUTHORIZING ACQUISITION OF
REAL PROPERTY TO CONFIRM THE EXISTENCE OF A PUBLIC NECESSITY FOR
THE ACQUISITION OF CERTAIN PROPERTIES AND PROPERTY INTERESTS ALONG
THE ROUTE DESCRIBED IN THE RESOLUTION

There was no discussion on this matter.

Director Fuentes Mendoza left the meeting.


CONVENE IN EXECUTIVE SESSION

The Board convened in Executive Session at 10:27 a.m. pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Present in executive session were Directors Kelley, Stewart, Dudley, and Fateh, Ms. Higgins, Ms. Panozzo, Mr. Abram, Mr. Ward, and Ms. Klein. Director Fuentes Mendoza was not present during executive session.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 11:09 a.m. No Board action was taken.

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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