

**MINUTES OF REGULAR MEETING OF
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25,
OF FORT BEND COUNTY, TEXAS**

February 21, 2019

The Board of Directors (the “Board”) of Fort Bend County Municipal Utility District No. 25, of Fort Bend County, Texas (the “District”), met in regular session, open to the public, on the 21st day of February, 2019 at a regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Beth Murany	President
Richard Webb	Vice President/Assistant Secretary
James Dalton	Assistant Vice President
Escoto Thomas	Secretary/Investment Officer
Julio Acosta	Assistant Secretary

and all of said persons were present thus constituting a quorum.

Also present during all or a portion of the meeting were Tyler Bridges, Assistant General Manager of Operations; Dominique Reddick, Accounting Manager; Mary Moore Hayes, Acting Assistant General Manager for Administration; Leonela Ruvalcaba, Acting Executive General Manager; Terrie Sechrist of Sechrist-Duckers LLP, attorney for the District; Chris Canonico of Ardurra Group, LLC (“Ardurra”), Disaster Recovery Engineer and Project Engineer for the District; Deputy Misael Davila and Sargent Rodney Rodriguez of the Fort Bend County Sheriff’s Office; and Jeffery and Hunter Williams, Kirk Francis, Reshma Venkani, Sahil Venkani and Brad Moon, residents of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on January 17, 2019. After discussion, Director Murany made a motion to approve the minutes of the January 17, 2019, regular Board meeting, as presented. Director Webb seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Francis next addressed the Board regarding Tackle Construction (“Tackle”) and its repair work on a sewer line at his property at 12907 Stratford Heights. He stated that he called the Sheriff’s department on Monday, February 18, 2019, to report that Tackle was pouring concrete while it was cold and raining and that Tackle left dirt on his property after completing the repair. He informed the Board that Tackle did not have a master plumber on staff and, as such, was not qualified to perform the repair.

Ms. Venkani next addressed the Board about her December 2018 water bill for 11806 Gardner Park Lane. She informed the Board that for the previous five (5) months, her bill was \$35. She stated that hired a handyman for \$50 to locate the underground irrigation pipes and determine if they were leaking and the handyman did not find any leaks. Ms. Venkani reported that her January bill was back to \$35 even though no repairs were made to the underground irrigation pipes.

Mr. Moon next introduced himself as a resident of Oak Lake Estates. He stated that he likes to attend one Board meeting each year.

Mr. Williams next addressed the Board about his concerns regarding lack of transparency of District activities. He stated that he would like to see information about director elections and other information about the District, including agendas for and minutes of Board meetings on the District's website.

DEVELOPER'S REPORT

No report was received from developers of land within the District.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Sechrist next presented the Tax Assessor/Collector's Report for January 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 89.35% of the District's 2018 taxes and 99.79% of the District's 2017 taxes have been collected as of January 31, 2019.

After discussion, Director Murany moved that the Board accept the Tax Assessor/Collector's Report and authorize payment of the checks drawn on the District's tax account. The motion was seconded by Director Acosta and carried by unanimous vote.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Hayes then presented the Delinquent Tax Report prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**. She reported that she will contact the owner of the Rosenberg retail center about the delinquent business personal property taxes due from his tenants. After further discussion, Director Webb made a motion to accept the Delinquent Tax Report. The motion was seconded by Director Acosta and carried by unanimous vote.

DISTRICT ENGINEER'S REPORT

A. Permit Amendments and renewals

Mr. Canonico stated that he had no information to report under this agenda item.

B. Capacity analysis

Mr. Canonico stated that he had no information to report under this agenda item.

C. Bond application reports

Mr. Canonico informed the Board that the Bond Application Report for the Series 2019 Bonds in the amount of \$7,940,000 is 99% complete.

D. Construction of non-capital projects

Mr. Canonico stated that he had no information to report under this agenda item.

E. Coordination of projects with Project Management Engineer; and

Mr. Canonico stated that he had no information to report under this agenda item.

F. Developer Projects, new development and requests for service.

Mr. Canonico stated that he had no information to report under this agenda item.

PROJECT ENGINEER'S REPORT

Mr. Canonico next presented the Project Engineer's Report prepared by Ardurra, a copy of which is attached hereto as a part of Exhibit "C".

A. Authorizing and/or concurring with the design, advertisement for bids and/or award of contracts for the construction of water, sanitary sewer and drainage or other facilities within the District

Mr. Canonico stated he had no information to report on this agenda item.

B. Approving and/or concurring in the approval of pay estimates and change orders on current construction projects within the District

Mr. Canonico next presented Pay Estimate No. 1 in the amount of \$58,803.47 submitted by Gilleland Smith Construction, Inc. ("Gilleland"), in connection with the Waste Water Treatment Plant No. 1 ("WWTP") Digester Piping Modifications project (the "Digester Piping Project"), a copy of which is attached hereto as part of Exhibit "C". He informed the Board that Ardurra recommends the Board's approval of Pay Estimate No. 1 for the Digester Piping Project. After discussion, a motion was made by Director Murany to approve Pay Estimate No. 1 for the Digester Piping Project as submitted by Gilleland. Director Acosta seconded the motion, which carried unanimously.

Mr. Canonico next informed the Board that David Fisher has requested that the median in front of the western side of Imperial Business Park (the "Voss Road Median") be removed in order to allow the installation of an exit only driveway. Mr. Canonico stated that Ardurra did not have any objections to Mr. Fisher's request as no District facilities are located in the Voss Road Median. After

discussion, a motion was made by Director Murany to approve removal of the concrete top of the Voss Road Median. Director Webb seconded the motion, which carried unanimously.

C. Granting or accepting site and/or easement conveyances for facilities constructed or to be constructed for or on behalf of the District

Mr. Canonico stated he had no information to report on this agenda item.

D. Granting or consenting to easements over District property

Mr. Canonico stated he had no information to report on this agenda item.

E. Review status of the developments within the District

Mr. Canonico stated he had no information to report on this agenda item

F. QLIP Status of Phase 2: Trails, Beacon and Pocket Parks status update

Mr. Canonico stated he had no information to report on this agenda item.

G. Review summary of pending projects, including the status thereof

Mr. Canonico stated he had no information to report on this agenda item.

After further discussion, a motion was made by Director Murany to accept the Project Engineer's Report. The motion was seconded by Director Dalton and carried by unanimous vote.

DISASTER RECOVERY ENGINEER'S REPORT

A. District Status

Mr. Canonico stated he had no information to report on this agenda item.

B. Procedures planned for remediation and recovery

Mr. Canonico stated he had no information to report on this agenda item.

C. Evaluation planned to determine status of storm drainage system

Mr. Canonico stated he had no information to report on this agenda item.

D. Reimbursement and payment options

Mr. Canonico stated he had no information to report on this agenda item.

ATTORNEY'S REPORT

- A. Receive requests for annexation of land into the District and authorize all appropriate action, including acceptance of annexation petitions from landowners, execution of petitions to the City of Houston for consent to annexation, adoption of Order(s) Adding Land into the District and approval of Amendment to District Information Form

Ms. Sechrist stated that she had no information to report on this agenda item.

- B. Approval of utility commitment letters

Ms. Sechrist stated that she had no information to report on this agenda item.

- C. Approval of developer reimbursement agreements

Ms. Sechrist stated that she had no information to report on this agenda item.

- D. Approval of resolutions to the Texas Commission on Environmental Quality (the "TCEQ") regarding the release of escrowed funds, the use of surplus funds or a change in use of funds

Ms. Sechrist next addressed the Board regarding the use of surplus park bonds funds to replace plants within the Old Richmond Road and F.M. 1464 medians (the "Median Plant Project"). She reported that Plantation Irrigation & Landscaping submitted the lowest proposal in the amount of \$52,175.

Ms. Sechrist next discussed submitting a resolution to the TCEQ requesting a change in use of approximately \$30,000 in escrowed funds for the purchase of a reuse pump (the "Pump Project") and a change in use of approximately \$155,000 in escrowed funds to televise and clean the sanitary sewer system at Pheasant Creek and Park Pointe (the "Pheasant Creek/Park Pointe CCTV Project"). After discussion, Director Webb made a motion to submit a resolution to the TCEQ for a change in use of escrowed funds/use of surplus funds for the Median Plant Project, the Pump Project and the Pheasant Creek/Park Pointe CCTV Project. The motion was seconded by Director Scott and carried unanimously.

- E. Approval of the audit of reimbursements to be made to a developer from the proceeds of the sale of the District Bonds

Ms. Sechrist stated that she had no information to report on this agenda item.

After further discussion, a motion was made by Director Murany that the Board accept the Attorney's Report. The motion was seconded by Director Acosta and carried by unanimous vote.

GENERAL MANAGER'S REPORT

A. Operations and Special Projects Reports, including:

- (i) **Overall Field Operations Report; and**
- (ii) **Illegal Hookups and/or violations of the District's Rate Order**
- (iii) **Construction, Engineering and project updates; and**
- (iv) **Other Operations issues.**

Mr. Bridges next presented the monthly Field Operations Report, a copy of which is attached hereto as **Exhibit "D"**. He reported that water accountability is at 95%. Director Murany asked how often the District tests or flushes hydrants. Mr. Bridges stated that, at present, only hydrants on dead end streets are flushed. He stated that he will confer with Mr. Canonico on a hydrant testing schedule.

After discussion, a motion was made by Director Acosta to accept the Field Operations Report. The motion was seconded by Director Webb and carried by unanimous vote.

B. Billing & Collections Report, including:

- (i) **Conduct hearing and authorize termination of water service to delinquent accounts;**
- (ii) **Review of customer communications regarding billing issues;**
- (iii) **Consider Rate Order issues; and**
- (iv) **Consider other actions or issues associated with billing.**

Ms. Ruvalcaba next presented the Billings and Collections Report. The Board then conducted a hearing regarding water and sewer service terminations. She informed the Board that the customers on the list attached hereto as **Exhibit "E"** (the "Termination List") were delinquent in the payment of their utility bills and were given written notification at least seven (7) days prior to the meeting of the opportunity to appear before the Board to explain, contest or correct their utility service bills and to show reason why utility service should not be terminated for reason of nonpayment. After discussion, Director Thomas made a motion to terminate water service to those accounts on the Termination List that have not been paid in accordance with the District's Rate Order. Director Acosta seconded the motion, which carried unanimously.

The Board next discussed the statements made by Mr. Francis regarding a recent repair to his private sewer line at 12907 Stratford Heights. Ms. Ruvalcaba informed the Board that there have been multiple sewage issues at this address since 2013 when there was a sewer line break and continuing with sewer spills in 2014, 2015, 2018 and the most recent incident of raw sewage spilling on the ground. After discussion, the Board concurred that Tackle should remove the dirt from Mr.

Francis' property as discussed during public comments and requested that Ms. Ruvalcaba send a letter to Mr. Francis addressing his concerns.

The Board next discussed the statements made by Ms. Venkani regarding her high water bill in December 2018. Mr. Bridges states that the District bench tested her meter and it was found to be working properly. He further stated that the District replaced the meter even though it passed the bench test. He also reported that Ms. Venkani had the underground irrigation lines removed from her property. After discussion, the Board concurred to offer Ms. Venkani up to a six (6) month payment plan for her December 2018 water bill.

Ms. Ruvalcaba then discussed with the Board a proposed amendment to the District's Rate Order to provide for a \$200 deposit per tenant for commercial/multi-tenant structures with an individual meter.

After further discussion, Director Murany made a motion to accept the Billing and Collections Report and to approve the Rate Order amendment of a \$200 deposit per tenant for commercial/multi-tenant structures with an individual meter. Director Acosta seconded the motion, which carried with unanimous vote.

C. Information Technology Reports and other information to include:

- (i) Fixed network update (meter reads and analytics); and**
- (iii) Any other Information Technology related items.**

Ms. Ruvalcaba next presented a report on the status of the information technology equipment upgrades, a copy of which is attached hereto as **Exhibit "F"**.

The Board next addressed the comments made by Mr. Williams. After discussion, the Board concurred that a copy of the executed Board meeting minutes should be posted on the District's website within three (3) business days after the Board meeting, or as soon as possible thereafter, and that contact information for the District's attorney and a link to the Texas Secretary of State's website for additional election information should be added to the District's website.

After further discussion, a motion was made by Director Webb to accept the Information Technology Report. The motion was seconded by Director Acosta and carried by unanimous vote.

D. Financial Services Report, including:

- (i) Approve the District Bookkeeper's Report, the Investment Report and other Financial Reports and payment of bills;**

Mr. Reddick then presented the bookkeeper's report, a list of bills presented for payment, a summary of the District's budget and expenditures, and the investment

report prepared in accordance with the Public Funds Investment Act (collectively, the “Bookkeeper’s Report”). A copy of the Bookkeeper’s Report is attached hereto as Exhibit “G”. He informed the Board that there is a \$300,000 CD maturing at Industry State Bank which can be renewed for a 15-month term at an interest rate of 2.62%. He also informed the Board that an interim audit will be conducted from April 22 through April 26.

After discussion, a motion was made by Director Murany to (i) accept the Bookkeeper’s Report, and (ii) authorize payment of all bills contained therein or otherwise presented at the meeting. Director Webb seconded the motion, which carried by unanimous vote.

E. General Operations Report, including:

- (i) General Operations issues;
- (ii) General construction issues;
- (iii) Detention and outfall updates; and
- (iv) QLIP items to include pocket parks.

Ms. Hayes next reported she will lead the upcoming SWAT inspection of the District’s facilities, which will save the District approximately \$50,000 in engineering fees.

After discussion, Director Murany made a motion to accept the General Operations Report. Director Scott seconded the motion, which carried unanimously.

F. Human Resources, Operations Group Goals, Policies and General Policy matters, including:

- (i) Update, review and approve, if appropriate, Policy Manuals, SOPs, etc.;

Ms. Ruvalcaba stated that she had no information to report on this agenda item.

- (ii) Review and approve first quarter result of Group Goals for fiscal year 2018-2019

Ms. Ruvalcaba stated that she had no information to report on this agenda item.

- (iii) Review and approve first Quarter Budget Adjustments

Ms. Ruvalcaba stated that she had no information to report on this agenda item.

G. Risk Management Policies, Compliance Matters, Standard Operations Procedures (SOPs), Red Flag Policies, Safety Reports, Group Goals and other related administrative items, including:

- (i) Approve SOPs presented;**
- (ii) Approve any policy changes and/or amendments;**
- (iii) Ongoing training items;**
- (iv) Community Projects and Communication, including Fall Food Drive, Annual Calendar Contest; and**
- (v) Risk Management items.**

Ms. Ruvalcaba next reported that the WaterSmart application has been submitted to the Association of Water Board Directors.

After discussion, a motion was made by Director Scott to accept the Risk Management report. The motion was seconded by Director Webb and carried by unanimous vote.

H. Building Maintenance and Landscaping/Grounds Maintenance Items, including:

- (i) General building items;**

Ms. Ruvalcaba stated she had no further information to report under this agenda item.

- (ii) General landscape and grounds items; and**

Ms. Ruvalcaba next informed the Board that the new lawn equipment discussed at the January Board meeting has been delivered. She also reported that bids are being solicited for the yearly tree trimming services.

- (iii) QLIP items to include pocket parks.**

Ms. Ruvalcaba stated she had no further information to report under this agenda item.

After discussion, a motion was made by Director Acosta to accept the Landscaping, Grounds and Building Maintenance Report. The motion was seconded by Director Webb and carried by unanimous vote.

I. Legal, Engineering and Project Updates, including:

- (i) General legal items;**

Ms. Hayes stated that she had no information to report under this agenda item.

(ii) **General engineering items; and**

Ms. Hayes stated she had no information to report under this agenda item.

(iii) **General project items.**

Ms. Hayes reported that the District is investigating the procedures required to sell/trade in a backhoe and purchase a mini excavator, which is more useful on smaller jobs.

After discussion, a motion was made by Director Webb to accept the Legal, Engineering and Project Updates report. The motion was seconded by Director Dalton and carried by unanimous vote.

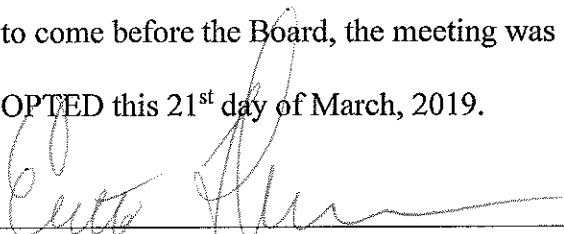
OTHER MATTERS

Director Murany stated that she has a conflict with the April Board meeting date. After discussion, the Board concurred that the April meeting date will be moved to Thursday, April 25, 2019, at 6:30 p.m.

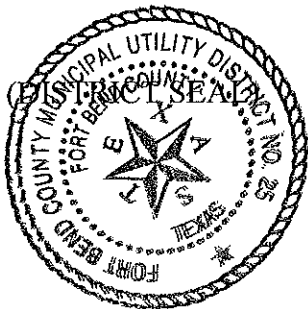
ADJOURNMENT

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

PASSED, APPROVED and ADOPTED this 21st day of March, 2019.



Secretary, Board of Directors



ACTION LIST

1. General Manager will:
 - a. Terminate utility service to delinquent water and sewer accounts approved by the Board

LIST OF ATTACHMENTS

	Minutes
	<u>Page</u>
tax assessor/collector's report	2
delinquent tax attorney's report	2
project engineer's report	3
operations report	6
termination list	6
information technology report	7
bookkeeper's report	8