

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

**May 16, 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 16<sup>th</sup> day of May, 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 during all or a portion of the meeting, except Directors Thomas and Dalton, 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"), Engineer for the District; Deputies Jeff Martinez and Misael Davila of the Fort Bend County Sheriff's Office; and Glenn Farley and Kirk Francis, residents of the District.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on April 25, 2019, and its special meeting held on May 9, 2019. After discussion, Director Murany made a motion to approve the minutes of the April 25 and May 10, 2019, Board meetings, as presented. Director Webb seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

Mr. Francis next addressed the Board about his account and repairs done at his residence at 12907 Stratford Heights. He stated that he did not agree with the repair which was done by Tackle Construction and therefore he would not sign the payment agreement as offered to him by the District on May 14, 2019. After discussion, the Board concurred that, because Mr. Francis refused to pay the outstanding balance or sign the payment plan, District staff should (i) send his account to a collection agency after five (5) business days' notice, (ii) report the delinquency to the appropriate credit bureau, and (iii) authorize the District's attorney to draft a letter to Mr. Francis advising him of such potential action.

## **RESIGNATION OF DIRECTOR JAMES DALTON**

Ms. Hayes next presented Director Dalton's letter of resignation due to his relocation out of state. After discussion, a motion was made by Director Acosta to accept the resignation of Director Dalton. Director Webb seconded the motion, which carried unanimously. The Board then expressed its appreciation for Director Dalton's service to the District.

## **NEW DIRECTOR: (a) CONSIDER APPOINTMENT OF A DIRECTOR TO FILL THE CURRENT VACANCY ON THE BOARD; (b) APPROVE THE SWORN STATEMENT, BOND AND OATH OF OFFICE FOR THE NEW DIRECTOR; (c) REORGANIZE THE OFFICERS OF THE BOARD OF DIRECTORS, IF NECESSARY; AND (d) AUTHORIZE PREPARATION AND FILING OF AN UPDATED DISTRICT REGISTRATION FORM.**

The Board next considered appointing a person to fill the current director vacancy. Mr. Farley discussed his work and personal background with the Board and expressed his interest in serving as a Director. After discussion, a motion was made by Director Murany to appoint Glenn Farley to serve in the vacant director position and accept his Statement of Elected/Appointed Officer, Affidavit of Appointed Director, Bond, Election Not to Disclose Certain Information and Oath of Office. The motion was seconded by Director Webb and carried by unanimous vote.

The Board next considered reorganizing the Board. After discussion, the Board concurred that Director Murany would serve as President, Director Webb would serve as Vice President/Assistant Secretary, Director Acosta would serve as Assistant Vice President, Director Thomas would serve as Secretary/Investment Officer and Director Farley would serve as Assistant Secretary.

Ms. Sechrist then informed the Board that a revised District Registration Form would need to be filed with the Texas Commission on Environmental Quality (the "TCEQ") to reflect the appointment of Director Farley and the reorganization of the Board. After discussion, Director Murany moved that the Board authorize the District's attorney to prepare an updated District Registration form for filing with the TCEQ. Director Webb seconded the motion, which carried unanimously.

## **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 March 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 97.47% of the District's 2018 taxes and 99.79% of the District's 2017 taxes have been collected as of April 30, 2019.

After discussion, Director Webb 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. Ruvalcaba then presented the Delinquent Tax Report prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**. She informed the Board that no action was needed on any accounts at this time. After discussion, Director Murany 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 stated that he had no information to report under this agenda item.

**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 then 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 reported that Ardurra advertised for bids for improvements to Wastewater Treatment Plants No. 1 and No. 2, with modifications to Lift Station No. 2 listed as an alternate bid line item (the "WWTP 1 & 2 Project"), on May 8 and May 15. He informed the Board that a pre-bid meeting will be held on May 23, with a bid opening scheduled for June 6 at 10:00 a.m.

Mr. Canonico next requested Board approval of Task Order E-20 relating to engineering fees for the preliminary analysis of the Park Pointe Detention Outfall Cleanup and Rehabilitation project (the "Park Pointe Detention Rehab Project"), and Task Order E-21 relating to engineering fees for the Wastewater Treatment Plant No. 1 Centrifuge Rehabilitation project (the "WWTP No. 1 Centrifuge Project"). He informed the Board that the centrifuge at WWTP No. 1 is fifteen (15) years old and is in need of repair. He further reported that the funds for the Park Pointe Detention Rehab Project will come from prior bond issues and that the WWTP No. 1 Centrifuge Project is funded by proceeds from the Series 2017 Bonds.

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

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

**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. OLIP Status of Phase 2: Trails, Beacon and Pocket Parks status update**

Mr. Canonico next informed the Board that the Park Pointe pocket park project is substantially complete except for hydro seeding.

**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 Acosta to (i) accept the Project Engineer's Report, (ii) approve Task Order E-20 for the Park Pointe Detention Rehab Project, and (iii) approve Task Order E-21 for the WWTP No. 1 Centrifuge Project. The motion was seconded by Director Webb and carried by unanimous vote.

### **DISASTER RECOVERY ENGINEER'S REPORT**

**A. District Status**

Mr. Canonico next stated that Ardurra continues negotiations with FEMA regarding the scope of the remediation project and the related claim payment.

**B. Procedures planned for remediation and recovery**

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

**C. Reimbursement and payment options**

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

After discussion, Director Webb made a motion to accept the Disaster Recovery Engineer's Report. Director Farley seconded the motion and it carried unanimously.

### **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 stated that she had no information to report on this agenda item.

**D. 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.

**E. Adopt amendments to the District's Rate Order**

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

After discussion, a motion was made by Director Murany that the Board accept the Attorney's Report. The motion was seconded by Director Webb 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 93%.

Mr. Bridges then informed the Board that recent wet tests results showed the District as passing for this quarter. He further stated that if the District has passing results for two (2) more quarters, testing will revert back to bi-annual testing instead of quarterly testing.

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, except Old Orchard Homeowners Association who paid after the Termination List was printed, 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 Acosta made a motion to terminate water service to those accounts on the Termination List that have not been paid, except Old Orchard Homeowners Association, in accordance with the District’s Rate Order. Director Murany seconded the motion, which carried unanimously.

**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”**. She informed the Board that training on fixed network upgrades will be held next week. She also informed the Board that the mobile payment app will be upgraded to prevent amounts due from a prior customer at an address carrying over to a new customer at the same address.

After discussion, a motion was made by Director Farley 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”**.

After discussion, a motion was made by Director Webb to accept the Bookkeeper’s Report. The motion was seconded by Director Farley and carried by unanimous vote.

ii) **Review and approve Second Quarter Budget Adjustments**

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

E. **General Operations Report, including:**

- (i) **General Operations issues;**
- (ii) **General construction issues;**
- (iii) **Detention and outfall updates; and**
- (iv) **OLIP items to include pocket park status.**

Ms. Hayes first reported that the District is working on utilization of either hydro mulch, seed or sod in the Park Pointe pocket park project. She further reported that Phases I and II at the Park Pointe pocket park project have been completed.

Ms. Hayes next discussed the recent infiltration issue from the property at 10323 Clodine Road (the “Clodine Property”) located within Fort Bend County Fresh Water Supply District No. 2 (“FW2”). She informed the Board that the District found that the property owner had installed a pipe in the FW2 sanitary sewer cleanout located next to the detention pond for the Clodine Property. She stated that after District staff discovered the source of the infiltration, the FW2 operator corrected the issue. She reported that the infiltration issue did not cause a permit violation at Wastewater Treatment Plant No. 2. Ms. Hayes further informed the Board that an invoice would be sent to FW2 for the costs incurred by the District to locate the source of the infiltration.

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

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) **Any other matters deemed appropriate and related to overall administrative items, Human Resources, etc.**

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;**
- (v) Risk Management items; and**
- (vi) Review draft Consumer Confidence Report and authorize distribution to District consumers.**

Ms. Ruvalcaba next presented the draft Consumer Confidence Report for the Board's review and approval. After discussion, a motion was made by Director Murany to (i) approve the draft Consumer Confidence Report, subject to the review of the District's regulatory attorney, and authorize its distribution to the District's consumers, and (ii) 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;**

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

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

Mr. Bridges next informed the Board that there have been no additional thefts of plants from the F.M. 1464 medians. He further reported that median sprinklers now are being used only in the mornings. He next reported that the fence at Detention Pond No. 2 had been repaired within the insurance deductible amount.

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

Mr. Bridges stated that he 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 Farley and carried by unanimous vote.

**I. Legal, Engineering and Project Updates, including:**

- (i) General legal items;**

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

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

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

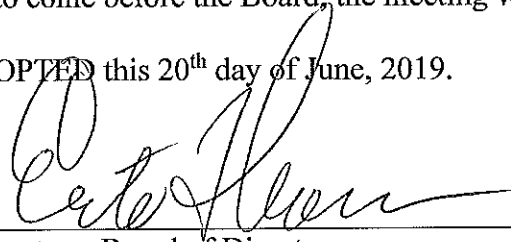
(iii) **General project items.**

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

**ADJOURNMENT**

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

PASSED, APPROVED and ADOPTED this 20<sup>th</sup> day of June, 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**

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