

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

**October 17, 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 17<sup>th</sup> day of October, 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
Julio Acosta	Assistant Vice President
Escoto Thomas	Secretary/Investment Officer
Glenn Farley	Assistant Secretary

and all of said persons were present, except Direct Thomas, during all or a portion of the meeting, thus constituting a quorum.

Also present during all or a portion of the meeting were Tyler Bridges, Executive Assistant General Manager of Operations; Dominique Reddick, Director of Financial Services; Leonela Ruvalcaba, Executive General Manager; Mary Moore Hayes, Executive Assistant General Manager/Board Liaison/Executive Director, Human Resources; Terrie Sechrist of Sechrist Duckers LLP, attorneys for the District; Anne Odima, a resident and/or property owner in the District; and Deputy Jeff Martinez of the Fort Bend County Sheriff's Office.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on September 26, 2019. After discussion, Director Murany made a motion to approve the minutes of the September 26, 2019, Board meeting, as presented. Director Webb seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

Ms. Odima next addressed the Board requesting an adjustment to her recent high utility bill (the "Bill"). She confirmed that the usage was due to a sprinkler malfunction and not due to any District error. After discussion, the Board determined to offer Ms. Odima a six (6) month payment plan for the Bill, provided that she remain current with future monthly utility bills.

**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 September 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 99.31% of the District's 2018 taxes and 99.83% of the District's 2017 taxes have been collected as of September 30, 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.

## **PUBLIC HEARING ON DISTRICT'S 2019 TAX RATE**

Ms. Sechrist next called a public hearing on the District's 2019 proposed tax rate. No comments were received from the public and the hearing was closed.

## **ORDER LEVYING TAXES FOR 2019**

The Board then considered adopting a 2019 debt service tax and maintenance tax. After discussion, Director Farley moved that the Board adopt an order levying a debt service tax of \$0.615 per \$100 of assessed valuation and a maintenance tax of \$0.225 per \$100 of assessed valuation, for a total 2019 District tax rate of \$0.84 per \$100 of assessed valuation. The motion was seconded by Director Webb and carried by unanimous vote.

## **AMENDED DISTRICT INFORMATION FORM**

The Board next considered approving an Amended District Information Form reflecting the District's 2019 tax rate. After discussion, Director Farley moved that the Board approve the Amended District Information Form and authorize its filing in the Fort Bend County Real Property Records and with the Texas Commission on Environmental Quality (the "**TCEQ**"). Director Webb seconded the motion and it carried unanimously.

## **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 informed the Board that the first set of delinquent tax statements were recently mailed out, and that a second set has been ordered and will be mailed to delinquent accounts upon receipt.

After discussion, a motion as made by Director Murany to accept the Delinquent Tax Attorney's Report. Director Acosta seconded the motion and it carried unanimously.

## **DISTRICT ENGINEER'S REPORT**

Mr. Bridges then presented the District Engineer's Report prepared by Ardurra Group, engineers for the District, a copy of which is attached hereto as a part of **Exhibit "C"**.

**A. Permit Amendments and renewals**

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

**B. Capacity analysis**

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

**C. Bond application reports**

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

**D. Construction of non-capital projects**

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

**E. Coordination of projects with Project Management Engineer**

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

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

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

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

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

Mr. Bridges next presented Pay Application No. 2 from The Trey Evans Company (“Evans”) in the amount of \$26,361 for the recoating of Wastewater Treatment Plants Nos. 1 and 2 (the “STP Recoating Project”). After discussion, Director Murany made a motion to approve Pay Application No. 2 submitted by Evans in the amount of \$26,361 for the STP Recoating Project. Director Farley seconded the motion, which passed unanimously.

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

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

**J. Granting or consenting to easements over District property**

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

**K. Review status of the developments within the District**

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

**L. Review summary of pending projects, including the status thereof**

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

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

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

**N. Evaluation planned to determine status of storm drainage systems**

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

**O. Reimbursement and payment options**

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

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

**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 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.

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

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

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

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

**G. Records Retention Schedule Policy**

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

**GENERAL MANAGER'S REPORT**

**A. Operations and Projects Reports, including:**

- (i) **Overall Field Operations Report;**
- (ii) **Illegal Hookups and/or violations of the District's Rate Order;**
- (iii) **Construction, Engineering and project updates;**
- (iv) **Other Operations issues;**
- (v) **General Operations issues;**
- (vi) **General construction issues;**
- (vii) **Detention and outfall updates; and**
- (viii) **QLIP items, including pocket park status.**

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 92%.

Mr. Bridges then discussed inspection of the District's fire hydrants and reported that the District is now working on the priority 3 and 4 hydrant repairs. He also stated that the fire hydrants will be painted after all repairs are made.

**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 Acosta 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 Farley seconded the motion, which carried unanimously.

The Board next considered an amendment to the District's Rate Order in regard to out-of-district service requests. Ms. Ruvalcaba informed the Board that there are currently six (6) accounts receiving out-of-district service. After discussion, Director Webb made a motion to charge out-of-district service accounts a fee based on the average residential tax bill from the District in addition to the rates charged for water and/or sewer service. Director Acosta seconded the motion and it carried by unanimous vote.

**C. Information Technology Reports and other information to include:**

- (i) Fixed Network Update (meter reads and analytics); and**
- (ii) Other Information Technology related items.**

Ms. Ruvalcaba next reported that the fixed network is operating at 99%.

**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 "F"**. He reported that an onsite audit of the District's accounts is in progress.

- (ii) Consider proposals relative to renewal of the District's insurance policies expiring November 2019; and**

The Board next considered renewal of the District's current insurance policies. Mr. Reddick informed the Board that there was a 4% increase in the premiums this year.

(ii) **Report budget results for fiscal year October 1, 2018 through September 30, 2019**

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

After discussion, a motion was made by Director Webb to (i) accept the Bookkeeper's Report and authorize payment of all disbursements listed on the Bookkeeper's Report or otherwise presented at the meeting, and (ii) approve the renewal of the District's insurance policies. The motion was seconded by Director Acosta and carried by unanimous vote.

E. **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.

F. **Risk Management Policies, Regulatory 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) **Annual Results of Group Goals for October 1, 2018 – September 30, 2019**

Ms. Ruvalcaba next presented two (2) SOPs for the Information Technology Department for the Board's approval. A summary of the SOPs presented is attached hereto as **Exhibit "G"**.

Ms. Ruvalcaba next presented the Annual Results of Group Goals report for October 1, 2018 through September 30, 2019, a copy of which is attached hereto as **Exhibit "H"**. She informed the Board that all goals were met.

After further discussion, a motion was made by Director Murany to (i) approve the two (2) SOPs presented, (ii) accept the Annual Results of Group Goals report, and (iii) accept the Risk Management Report. The motion was seconded by Director Acosta and carried by unanimous vote.

**G. Building Maintenance and Landscaping/Grounds Maintenance Items, including:**

**(i) General building items; and**

Mr. Bridges next informed the Board that the new HVAC units for the District Administration Building will be delivered on November 7, 2019.

**(ii) General landscape and grounds items.**

Mr. Bridges next informed the Board that Cactus Fence is 90% complete with the replacement of the fence at Detention Pond No. 2 and should be 100% complete next week.

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

**H. Executive Management Reports to include Financial/Budget, Group Goals, Strategic, Legal, Engineering, Project and Future Strategic Planning updates, including:**

**(i) General legal items;**

**(ii) General engineering items;**

**(iii) General project items;**

**(iv) Future/Strategic Planning Issues (overall).**

Ms. Hayes next informed the Board that because District staff have encountered many angry, hostile residents when repairing leaks, two (2) body cams have been ordered so that these interactions may be recorded.

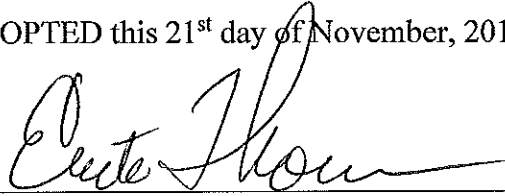
After discussion, Director Murany made a motion to accept the Executive Management Report. Director Acosta seconded the motion which carried with a unanimous vote.



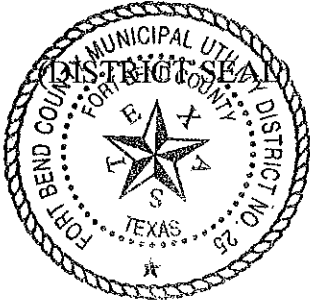
**ADJOURNMENT**

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

PASSED, APPROVED and ADOPTED this 21<sup>st</sup> day of November, 2019.



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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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