

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

**September 26, 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 26<sup>th</sup> day of September, 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 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; Hector Pena of Ardurra Group, LLC ("Ardurra"), engineers for the District; and Deputy Misael Davila of the Fort Bend County Sheriff's Office.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on August 15, 2019. After discussion, Director Murany made a motion to approve the minutes of the August 15, 2019, Board meeting, as presented. Director Acosta seconded the motion and it 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 August 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 99.10% of the District's 2018 taxes and 99.83% of the District's 2017 taxes have been collected as of August 31, 2019. She also informed the Board that, since the September Board meeting was rescheduled due to Tropical Storm Imelda, the public hearing in connection with the levy of the District's 2019 tax rate would be held at the October Board meeting as the notice of the hearing had to be republished.

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 Thomas 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 informed the Board that the District will be sending out delinquent statements and will terminate service to those accounts next month.

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

## **DISTRICT ENGINEER'S REPORT**

Mr. Pena then presented the District Engineer's Report prepared by Ardurra, a copy of which is attached hereto as a part of **Exhibit "C"**. He informed the Board that improvements to Wastewater Treatment Plants Nos. 1 and 2 (the "**WWTP Improvements Project**") should mobilize next week. He further stated that Ardurra will start preparing plans for the centrifuge and disc filter replacement projects.

### **A. Permit Amendments and renewals**

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

### **B. Capacity analysis**

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

### **C. Bond application reports**

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

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

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

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

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

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

Mr. Pena 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. Pena 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. Pena next presented Pay Application No. 1 for the recoating of Wastewater Treatment Plants Nos. 1 and 2 (the “STP Recoating Project”) from The Trey Evans Company (“Evans”) in the amount of \$6,939. After discussion, Director Murany made a motion to approve Pay Application No. 1 submitted by Evans in the amount of \$6,939 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. Pena stated that he had no information to report on this agenda item.

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

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

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

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

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

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

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

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

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

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

**O. Reimbursement and payment options**

Mr. Pena 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 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.

**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 next presented the developer reimbursement audit prepared by McGrath & Co., PLLC ("McGrath") in connection with payments to D.R. Horton from the proceeds of the District's Series 2019A Unlimited Tax Bonds. After discussion, Director Murany made a motion to accept the developer reimbursement audit prepared by McGrath in connection with the Series 2019A Bonds. Director Webb seconded the motion and it carried unanimously.

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

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

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

## 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 94%.

After discussion, a motion was made by Director Thomas to accept the Field Operations Report. The motion was seconded by Director Acosta 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 Murany 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.

After further discussion, Director Murany made a motion to accept the Billing & Collections Report. The motion was seconded by Director Acosta and 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 internet was down at the District's offices today due to a damaged fiber cable.

**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 informed the Board that the certificate of deposit at Industry State Bank, which matured on September 18, will be used to make the October 1 debt service payment.

After discussion, a motion was made by Director Murany to accept the Bookkeeper's Report and authorize payment of all disbursements listed on the Bookkeeper's Report or otherwise presented at the meeting. The motion was seconded by Director Webb 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; and**
- (v) Risk Management items.**

Ms. Ruvalcaba next presented eight (8) SOPs for the Board's approval: seven (7) updated SOPs for the Information Technology Department; and one (1) updated SOP for Operations. A summary of the SOPs presented is attached hereto as **Exhibit "G"**.

Ms. Ruvalcaba next discussed the Association of Water Board Directors ("**AWBD**") Conference to be held in January 2020 in Dallas, Texas (the "**AWBD Winter Conference**"). After discussion, a motion was made by Director Murany to approve the attendance of all interested Directors at the AWBD Winter Conference. The motion was seconded by Director Acosta and carried by unanimous vote.

After further discussion, a motion was made by Director Murany to (i) approve the eight (8) SOPs presented, and (ii) accept the Risk Management Report. The motion was seconded by Director Webb and carried by unanimous vote.

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

- (i) General building items; and**

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

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

Mr. Bridges next informed the Board that Cactus Fence is in the process of replacing the fence at Detention Pond No. 2., near the Landmark at Sugarland Apartments. He also reported that irrigation repairs were underway for the flower beds in the medians along F.M. 1464.

After discussion, a motion was made by Director Murany to accept the Landscaping, Grounds and Building Maintenance Report. The motion was seconded by Director Webb 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. Ruvalcaba next presented a request for donation from Austin High School in its endeavor to raise money for a new fence for the baseball and softball fields. Ms. Sechrist advised the Board that because the baseball and softball fields do not share a fence with District facilities and are not open to all District residents, the District is not authorized to participate in the project.

Ms. Hayes next informed the Board that District staff is in the process of analyzing the procedure for and terms of providing out-of-District service.

Ms. Hayes next informed that Board that FEMA has advised the District to request additional funds from its insurer, Texas Municipal League (“TML”), for Hurricane Harvey related damages. She stated that she has contacted TML and requested that TML provide the District with a letter confirming that there are no more funds available.

Ms. Hayes next informed the Board that the District is working on a reorganization of the operations management structure.

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

**CONVENE IN EXECUTIVE SESSION TO DELIBERATE, REVIEW AND DISCUSS EMPLOYEE MATTERS**

At 6:05 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

**ACTION RESULTING FROM EXECUTIVE SESSION**

The Board reconvened in public session at 6:27 p.m. No action was taken as a result of the Executive Session.

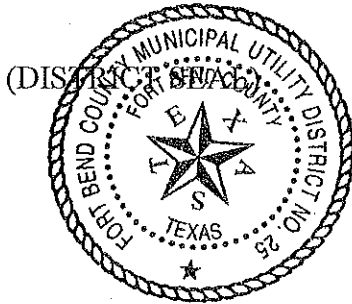


**ADJOURNMENT**

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

PASSED, APPROVED and ADOPTED this 17<sup>th</sup> day of October, 2019.

Asst.   
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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