

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

November 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 November, 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; Mike Brotherton of Belt Harris Pechacek, LLLP (“BHP”), auditors for 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 October 17, 2019. After discussion, Director Murany made a motion to approve the minutes of the October 17, 2019, Board meeting, as presented. Director Farley seconded the motion and it carried unanimously.

DEVELOPER’S REPORT

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

APPROVE AUDIT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019

Mr. Brotherton next presented a draft audit for the District’s fiscal year ending September 30, 2019 (the “Audit”). After discussion, a motion was made by Director Webb, seconded by Director Acosta and unanimously carried, to (i) approve the Audit, subject to final review by the District’s attorney, (ii) authorize the District’s attorney to file the Audit with the Texas Commission on Environmental Quality (the “TCEQ”), and (iii) authorize the District’s attorney to file related secondary disclosure documents in accordance with Rule 15c2-12 of the Securities and Exchange Commission.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Sechrist next presented the Tax Assessor/Collector's Report for October 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 99.35% of the District's 2018 taxes and 99.83% of the District's 2017 taxes have been collected as of October 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"**. The Board discussed the list of accounts that are subject to water termination because of a greater than six (6) month delinquency in payment of District taxes.

After discussion, a motion was made by Director Thomas to accept the Delinquent Tax Attorney's Report and authorize termination of water service to the accounts listed in the Delinquent Tax Report. Director Webb 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. 1 from Wharton-Smith, Inc. (“Wharton”) in the amount of \$264,812.50 for the Wastewater Treatment Plant Nos. 1 and 2 Improvements project (the “WWTP Improvements Project”). He then presented Pay Application No. 3 from The Trey Evans Company (“Evans”) in the amount of \$105,750 for the recoating of Wastewater Treatment Plant Nos. 1 and 2 (the “STP Recoating Project”). After discussion, Director Murany made a motion to (i) approve Pay Application No. 1 submitted by Wharton in the amount of \$264,812.50 for the WWTP Improvements Project, and (ii) approve Pay Application No. 3 submitted by Evans in the amount of \$105,750 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. Adopt a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District.

Ms. Sechrist stated that this item would be discussed at next month's Board meeting.

After discussion, Director Murany made a motion to accept the Attorney's Report. Director Acosta seconded the motion which carried by a 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 91%.

Regarding the safety violation listed on the Field Operations Report, Mr. Bridges informed the Board that an employee backed into a pole in the parking lot at the District office while driving a District truck. He reported that as a result of the incident, there was a small dent to the vehicle, no injuries were sustained, and that the pole is now painted yellow.

After discussion, a motion was made by Director Farley to accept the Operations report. Director Acosta seconded the motion, which 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 Webb 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 Thomas seconded the motion, which carried unanimously.

After discussion, a motion was made by Director Murany to accept the Billing and Collections Report. The motion was seconded by Director Thomas 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 fixed network is operating at 99%. After discussion, a motion was made by Director Acosta to accept the Information Technology Report. Director Webb seconded the motion, which carried unanimously.

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 Trinity Wastewater is now current on its payments to the District.

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 for the Board's approval, three (3) updated SOPs for Human Resources, Inventory, and Operations as well as one (1) new SOP for Operations. A summary of the SOPs presented is attached hereto as Exhibit "G".

After discussion, a motion was made by Director Murany to (i) approve the four (4) SOPs presented, and (ii) 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 all of the District's buildings have been winterized and that preventative maintenance has been performed on all air conditioning units.

Mr. Bridges next informed the Board that there are thirty-five (35) fire hydrants left to repair. He stated that after all hydrants have been repaired, the painting of all hydrants will begin.

- (ii) General landscape and grounds items.

Mr. Bridges stated that he had nothing to report under this agenda item.

After discussion, a motion was made by Director Farley to accept the Landscaping, Grounds and Building Maintenance Report. The motion was seconded by Director Thomas 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 stated that she had nothing to report under this agenda item.

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

At 7:08 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

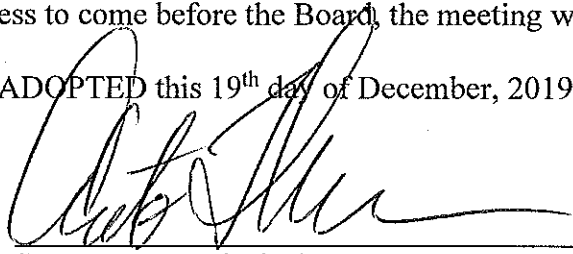
ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in public session at 7:20 p.m. No action was taken as a result of the Executive Session.

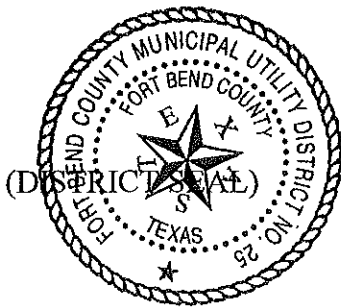
ADJOURNMENT

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

PASSED, APPROVED and ADOPTED this 19th day of December, 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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