

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

December 19, 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 19th day of December, 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 Leonela Ruvalcaba, Executive General Manager; Tyler Bridges, Executive Assistant General Manager of Operations; Mary Moore Hayes, Executive Assistant General Manager/Board Liaison/Executive Director, Human Resources (via telephone); Alejandra Playan, Staff Accountant; Terrie Sechrist of Sechrist Duckers LLP, attorneys for the District; Chris Canonico and Hector Pena of Ardurra Group, LLC ("Ardurra"), engineers for the District; Derek and Denise Einkauf, potential purchasers of land near 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 November 21, 2019. After discussion, Director Murany made a motion to approve the minutes of the November 21, 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 November 2019, a copy of which is attached hereto as **Exhibit "A"**. She noted that 5.23% of the District's 2019 taxes and 99.83% of the District's 2018 taxes have been collected as of November 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 Webb 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 reported that one installment payment agreement had been entered into for a 2018 delinquent tax account.

After discussion, a motion was made by Director Murany to accept the Delinquent Tax Report. Director Webb seconded the motion and it carried unanimously.

DISTRICT ENGINEER'S REPORT

Mr. Canonico first presented Task Order No. E-23, On-Call Sanitary Sewer Rehabilitation Engineering Support relating to the rehabilitation of sanitary sewer lines in Pheasant Creek, Stratford Park, Summerfield, and Park Point subdivisions. He informed the Board that Ardurra's fee for the design and bidding phase services would not exceed \$40,000 and Ardurra's fee for the construction phase services would not exceed \$200,000.

Mr. Canonico then presented Task Order No. E-24, Review of Storm Sewer CCTV Tapes, for the Summerfield, Stratford Park, Pheasant Creek, Park Pointe, Chelsea Harbour, Oak Lake Court, and Windsor Estates subdivisions. He informed the Board that Ardurra's fee would not exceed \$10,000. Ms. Hayes informed the Board that water infiltration was recently discovered in some storm sewer pipes in Summerfield. She stated that the source/cause of the infiltration has not been determined and Ardurra's review of the CCTV tapes may help determine the root of the infiltration.

After discussion, a motion was made by Director Murany to approve Task Order Nos. E-23 and E-24, subject to final review by the District's attorney.

Mr. Canonico next reported that the City of Sugar Land has included the needs of the District in the design of the City's proposed surface water treatment plant.

Mr. Pena 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. 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 next informed the Board that two (2) proposals were received for supplying labor and materials necessary to install an 80' by 5' foot extension of the road around the clarifier at Wastewater Treatment Plant No. 1 (the "Paving Extension"). He informed the Board that Ardurra recommends that the contract for the Paving Extension Project be awarded to the lowest bidder, Mike Meeks, in the amount of \$8,380.00. After discussion, Director Murany made a motion to award the contract for the Paving Extension Project to Mike Meeks in the amount of \$8,380.00. The motion was seconded by Director Webb and carried by unanimous vote.

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

Mr. Pena then presented Pay Application No. 4 from The Trey Evans Company ("Evans") in the amount of \$38,250.00 for the recoating of Wastewater Treatment Plant Nos. 1 and 2 (the "STP Recoating Project"). After discussion, Director Murany made a motion to approve Pay Application No. 4 submitted by Evans in the amount of \$38,250.00 for the STP Recoating Project. Director Webb 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

Ms. Sechrist next presented an Access Agreement relating to the use of the District's driveway from Clodine Road to the Animal Inn (the "Driveway"). She informed the Board that the Animal Inn property is under contract to be purchased by Mr. and Mrs. Einkauf and that the District's existing agreement with the current owner of the Animal Inn to use the Driveway expires if the Animal Inn property is sold. She stated that the Einkaufs had requested that a new agreement, in a form recordable in the Fort Bend County Real Property Records, be prepared. Ms. Sechrist stated that the Access Agreement obligates the Einkaufs to pay for twenty percent (20%) of the cost to maintain the first 425 feet of the Driveway and that the use of the Driveway by employees and patrons of the Animal Inn terminates when the Animal Inn property is no longer used to operate a kennel. She also informed the Board that the Einkaufs had agreed to pay the legal fees incurred by the District in connection with the preparation of the Access Agreement.

After discussion, a motion was made by Director Farley to approve the Access Agreement. The motion was seconded by Director Acosta and carried by unanimous vote.

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. Canonico informed the Board that the State of Texas has been allocated federal funds for the repair of public utility systems damaged by Hurricane Harvey and for flood mitigation measures. He informed the Board that recipients of the funds will be determined by a point system. He further informed the Board that he will investigate the feasibility of the District receiving any of the federal funds and report back at the next Board meeting.

N. Evaluation planned to determine status of storm drainage systems

Mr. Pena stated that he had no additional 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 Webb 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 next discussed a resolution to the TCEQ requesting the use of approximately \$22,000 in surplus bond funds for the purchase of two (2) valves for Water Well No. 1 (the "Well Valve Project") and for the recoating of two (2) manholes in Pheasant Creek subdivision (the "Manhole Recoating Project"). After discussion, Director Webb made a motion to submit a resolution to the TCEQ for the use of surplus bond funds for the Well Valve Project and the Manhole Recoating Project. The motion was seconded by Director Acosta 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'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 Farley 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) OLIP 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 a District parking lot while driving a District truck. He reported that no injuries were sustained and the District truck sustained a small dent. He also reported that the pole is now painted yellow.

Mr. Bridges next informed the Board that a resident recently reported sewage spilling from a manhole tied to Lift Station No. 2. He stated that the verbatims did not call the Operations staff because they only activate when both lift station pumps are not working and one of the pumps was working at the time of the incident. He informed the Board that all required reports relating to the incident were filed with the TCEQ. He also informed the Board that Lift Station No. 2 will be expanded as part of the Waste Water Treatment Plant No. 1 rehabilitation project.

After discussion, a motion was made by Director Thomas to accept the Field Operations Report. Director Farley 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 after December 25, 2019, 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 Farley to accept the Information Technology Report. Director Thomas 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**

Ms. Playan 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"**. She reported that Sprint, Trinity Wastewater, and Fort Bend County MUD No. 41 are current in their payments to the District.

After discussion, a motion was made by Director Acosta 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 Farley 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 reported that employee performance reviews will begin next month. After discussion, a motion was made by Director Acosta to accept the Human Resources Report. The motion was seconded by Director Thomas and carried by unanimous vote.

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 one (1) new SOP for Operations relating to sanitary sewer overflows and related reports to the TCEQ. A summary of the SOP presented is attached hereto as **Exhibit "G"**.

After discussion, a motion was made by Director Murany to (i) approve the SOP 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 a new air conditioning unit was installed in the server room at the Operations building. He also reported that the fence at Lift Station No. 3 has been replaced.

- (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 Murany 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 reported that District staff is looking at changing/eliminating the types of plants in the F.M. 1464 medians to reduce maintenance costs.

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

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.

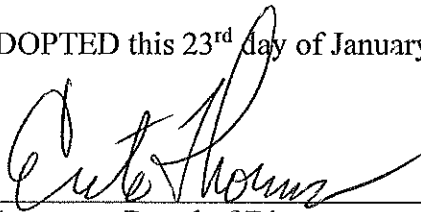
ACTION RESULTING FROM EXECUTIVE SESSION

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 23rd day of January, 2020.



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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