

**YOLANDA FORD**  
Mayor

**VASHAUNDR A EDWARDS**  
Councilmember at Large Position No. 1

**CHRIS PRESTON**  
Mayor Pro Tem  
Councilmember at Large Position No. 2



**CHERYL STERLING**  
Councilmember District A  
**JEFFREY L. BONEY**  
Councilmember District B  
**ANTHONY G. MAROULIS**  
Councilmember District C  
**FLOYD EMERY**  
Councilmember District D

## **CITY COUNCIL SPECIAL MEETING MINUTES**

The City Council of the City of Missouri City, Texas, met in special session on **Tuesday, November 26, 2019**, at the City Hall, Council Chamber, 1522 Texas Parkway, Missouri City, Texas, 77489, at **7:00 p.m.** to consider the following:

### **1. CALL TO ORDER**

Mayor Ford called the meeting to order at 7:00 p.m.

Those also present: Mayor Pro Tem Preston, and Councilmembers Edwards, Sterling, Boney, Maroulis, and Emery; City Manager Snipes, City Attorney Iyamu, City Secretary Jackson, Assistant City Manager Martel, Director of Financial Services Portis, Fire Chief Campbell, Director of Communications Walker, Media Relations Specialist III Kalimkoottil, Media Relations Specialist II Sanders, and MCTV Senior Producer/Manager McBean Jr.

### **2. DISCUSSION/POSSIBLE ACTION**

(a) Consider and discuss City communication policies.

Mayor Ford requested an overview of the Staff Communication with Council Policy as she received several comments that city employees could not speak to City Council. City Manager Snipes provided an overview and stated the policy does not prohibit employees from speaking to City Council, attached hereto as, Exhibit "A."

Councilmember Boney referenced Section 3.08 (c) of the City's Charter, as follows.

Sec. 3.08. - Prohibitions.

C. Interference with administration. Except for the purpose of inquiries and investigations under section 3.17, the council or its members shall deal with city officers and employees who are subject to the direction and supervision of the city manager solely through the city manager; and neither the mayor nor a councilmember may give orders publicly or privately to any such officer or employee.

City Attorney Iyamu stated the City's Charter provides that City Staff communicate to City Council through the City Manager; and, that City Council communicate to City Staff through the City Manager.

Mayor Ford stated she wanted to clear up any misunderstandings from City Staff's perspective, as she believes they were fearful to speak to City Council. She stated she believed the policy could be cleared up to state that if conversations concern administrative or operational matters, those need to be directed to the Department Directors or the City Manager. City Manager Snipes stated that he believes in leadership on all levels and listed examples of various City employees interacting with City Council.

Councilmember Edwards questioned the culture and morale of City employees. City Manager Snipes referenced the report provided to City Council previously regarding employee morale and listed several employee appreciation events and programs.

Mayor Ford stated she wanted to confirm that no disciplinary action would take place for conversing with City Council. Councilmember Boney again referenced Section 3.08 (c) of the City's Charter. City Manager Snipes again outlined the policy and stated it does not prohibit employees from speaking to City Council.

- (b) Consider and discuss the policy for time off for appointed staff.

Mayor Ford stated that previous to her taking the seat of Mayor, appointed officials received approval from the previous Mayor for scheduled time off. City Manager Snipes clarified that he provided notification to the full Council noting whom would be acting city manager in his place. Mayor Ford stated that the City Attorney and City Secretary used to request time off, then the process was directed to the committee for review, and now all notifications were sent to City Council. The City Attorney stated she presented her time off requests to City Council during closed executive session. The City Secretary stated she requested a vacation time off request to the Mayor once; however, that request was never responded to or approved by Mayor Ford.

Mayor Ford believes a formal process should be in place for time off requests; and, recommended that time be submitted to HR for her approval within two weeks of the request. Councilmember Emery stated that the Mayor requested that the Ordinances, Resolutions, Elections and Council Governance Review Committee research this request and provide recommendations to City Council. He stated several meetings took place and, at the request of the Committee, the Legal Division provided recommendations based on input from other cities handling of approval of time off requests from Appointed Staff. The draft Administrative Policy and Procedure for Appointed Officials is attached hereto as Exhibit "B." Councilmember Emery stated that the committee already reviewed this request and requested that Council consider the proposed recommendations. Councilmember Edwards stated she provided recommendations; however, were not received well by Councilmember Emery. She added that the committee did provide an option for the Mayor to have two weeks to respond or have the Council to address, should she not respond within the two-week timeframe. She stated she agreed that there should be a "checks and balances" system because there was a time when all three direct reports were out at the same time and she believes it was problematic. She added she understands there were alternates, but there should be "checks and balances" that would allow someone to be held accountable and not just approve time because someone wants to be out of the office. Councilmember Emery stated he did not receive feedback from the other committee members regarding the recommendations provided to them.

City Manager Snipes stated that the City's charter states that he provide notice to City Council when he would be out of the office with a notation of whom would be the acting city manager. Mayor Ford added that the concern was not that appointed officials could not take time off but about accountability. She stated that City Councilmembers were accountable to the citizens of Missouri City and she believed that sending an email to City Council stating when they would be out the office does not suffice and there should also be a level of accountability. City Manager Snipes stated the other appointed officials validate and ensure proper "checks and balances" were in place when approving timesheets. Mayor Ford stated it was not ok with her to be notified by email of time off requests when City Council was accountable to the citizens of Missouri City for use of taxpayers' dollars. She again recommended that time be submitted to HR for her approval within two weeks of the request. City Manager Snipes went over the current timesheet approval process for the appointed officials. Councilmember Sterling asked if City Council could be alerted through the City's system of time off requests. City Manager Snipes stated he would need to check with HR.

Mayor Pro Tem Preston moved that time be submitted to HR for the Mayor's approval; and, if requests were not approved within two weeks, requests were to be brought before City Council. Councilmember Edwards seconded. **MOTION FAILED.**

Ayes: Mayor Ford, Mayor Pro Tem Preston, and Councilmembers Edwards  
Nays: Councilmembers Sterling, Boney, Maroulis, and Emery

Councilmember Sterling stated she believed there needed to be some processes and procedures in place. City Manager Snipes stated the proposed policy from the committee stated that Council would receive an email alert and objections could be made, at that time.

Councilmember Sterling moved to develop processes and procedures via the HR department. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

Councilmember Boney asked if the policies and procedures would be brought back before City Council for approval. Councilmember Sterling stated yes. Councilmember Maroulis asked if the processes would be presented before City Council or the committee. Councilmember Sterling stated the Council. Mayor Ford requested that this be done by the end of year. City Attorney Iyamu asked if the current process was still in effect, in the interim. Mayor Ford stated yes. Councilmember Boney stated the policies and procedures should include all out of the office notifications, including professional meetings.

(c) Consider and discuss City financial audits.

Mayor Ford stated Council received a letter from MUD 48 that stated the City might have financial issues, attached hereto as Exhibit "C." She also noted other financial concerns since she became Mayor, such as checks that were issued under the name of former Mayor Allen Owen, the utility funds in reference to account numbers that were changed, the budget amendment that caused the shortage, and now the MUD 48 letter. She stated that City financial issues were once again being presented before City Council and asked that this be sent back to the committee for review. City Manager Snipes explained that the MUD 48 letter addressed concerns from 2018, when Mayor Ford was not in office, the City of Missouri City had a 15-month fiscal year, the Finance Department had up to five vacancies, and City Staff members informed MUDs that Staff would have to issue true-ups until after the City's Comprehensive Annual Financial Report (CAFR) and budget were completed. He added that in 2019, City Staff members held various meetings with the MUDs; and, true-ups and audits have occurred. City Manager Snipes also stated that McConnell & Jones audited MUD 48, which City Council and MUD 48 were in receipt of. Mayor Ford stated Council did receive the audit; however, she believed they were general. She requested that this be sent to the Financial Committee for further review with an accounting audit professional and bring back a recommendation to City Council. She added that she spoke with the auditors and they stated they prepared the report based on what was presented to them by City Staff. Director of Financial Services Portis noted that City Staff members provided them with the entire general ledger, which was all the accounting information from the system. And, they move forward and choose information from the general ledger they wish to obtain further information from.

Discussion ensued and Mayor Pro Tem Preston requested an independent person to look into this and provide a professional recommendation to City Council. Councilmember Boney stated there was currently an independent audit firm looking into the City's finances. Director of Financial Services Portis stated McConnell & Jones moved forward just as Mayor Pro Tem Preston requested from 2012 to 2018. Mayor Pro Tem Preston clarified that every financial concern brought before City Council this year, or maybe before, needed to be evaluated by an independent professional in this realm and provide a professional recommendation to City Council. Director of Financial Services Portis stated the City's current auditor received the McConnell & Jones report and information regarding the checks. Mayor Pro Tem Preston stated that City Council should be able to provide them with all their financial concerns. Director of Financial Services Portis answered that as a part of the annual audit, Council was to receive a letter asking for their concerns.

Mayor Pro Tem Preston requested a report from a secondary auditor and provide another recommendation. Mayor Ford stated she would recommend that this be submitted to the Finance Committee for further discussion. Councilmember Maroulis stated that he would prefer that it go through City Council. Mayor Ford stated Mayor Pro Tem Preston would get with at least two outside auditors for an opinion and provide Council with recommendations.

- (d) Consider and discuss City newsletters.

Mayor Ford recommended one electronic newsletter going out bi-weekly so that there was not various electronic newsletters going out.

Councilmember Edwards stepped away at 8:43 p.m. and returned at 8:46 p.m.

Director of Communications Walker provided an overview of various digital newsletters. Councilmember Sterling asked if combining the electronic newsletters would be cumbersome. Director of Communications Walker stated it would not be a burden to combine the City Manager's Reports and Council Connections digital reports. Councilmember Boney stated he did not want to start a process with City Council directing Staff, as that was why the City Manager was in place.

Councilmember Edwards moved to have one electronic newsletter that goes out bi-weekly that unifies the City message and branding. Councilmember Sterling. **MOTION PASSED UNANIMOUSLY.**

- (e) Consider and discuss appointed staff spending limits.

Mayor Ford asked for appointed staff spending limits. Director of Financial Services Portis provided an overview of the requisition workflow.

Councilmember Edwards stepped away at 8:57 p.m. and returned at 8:57 p.m.

Mayor Ford then discussed the consultant contract's list she previously requested and believed Council should be made aware of contracts going out if they were more than \$20,000 to \$25,000. City Manager Snipes stated City Council approves the budget so that City Staff members could move forward, as approved by City Council, to tend to departmental business matters. He asked if it was the will of the Council to have the contract's list from \$25,000 to \$49,999 come before City Council.

Councilmember Maroulis stepped away at 9:10 p.m. and returned at 9:12 p.m.

Mayor Ford asked City Council how they wish to move forward, after hearing her concerns. Councilmember Emery stated the City hired a City Manager to address the financial day-to-day business matters of the City. Councilmember Boney stated Missouri City had a Council/City Manager form of government and this allows City Council to focus on the directional governance of the City, as opposed to the day-to-day operations. Councilmember Edwards stated she believed if the amount were lowered, it would increase transparency and Council could have more of an input of what was going on. Councilmember Maroulis asked if public safety could remain at its current cap, in the event there was an urgent matter, in an effort to avoid slowing down the process. City Manager Snipes discouraged separating departments.

Councilmember Emery moved to leave the appointed officials spending limits at \$50,000. Councilmember Maroulis seconded. **MOTION FAILED.**

Ayes: Councilmembers Boney, Maroulis, and Emery  
Nays: Mayor Ford, Mayor Pro Tem Preston, and Councilmembers Edwards and Sterling

Councilmember Sterling moved to have Council made aware of contracts between \$25,000 to \$49,999 for direct reports, before the issuance of those contracts; and, that City Staff revised the resolution currently in place for spending limits for Council consideration. Councilmember Edwards. **MOTION PASSED.**

Ayes: Mayor Ford, Mayor Pro Tem Preston, and Councilmembers Edwards and Sterling

Nays: Councilmembers Boney, Maroulis, and Emery

Councilmember Emery stepped away at 9:28 p.m.

(f) Consider and discuss agenda deadlines.

Mayor Ford stated that she was aware from a neighboring City that they receive their preliminary agenda three months ahead of time and changes were made if the City Manager made a request to the Mayor to add or change items.

Councilmember Emery returned at 9:30 p.m.

Mayor Ford requested if the City could provide City Council with the preliminary agenda two weeks ahead of time. City Manager Snipes stated he believed risks might be involved as some may view the preliminary agenda as the final agenda. Mayor Ford stated she understands the preliminary version of the agenda was not the final version; however, she understands the City of Sugar Land and Fort Bend County were able to finalize their agendas and packets much sooner. Further, she requested additional time so that Council could do their due diligence. City Manager Snipes confirmed that he would move forward with the will of the City Council; and, that he would reach out to the City of Sugar Land to determine how their agenda was populated. He added the City of Missouri City does have a 30-60-90 agenda item planning calendar. Mayor Ford again stated she was requesting two weeks. City Manager Snipes requested time to pull the team together to address this request and come back to City Council with a recommendation.

Mayor Ford asked how City Staff would feel if they were given a few days to review information, because that was how City Council feels each time. Mayor Ford then requested clarification of the 72-hour posting. City Attorney Iyamu stated the agenda needed to be posted at least 72-hours before a scheduled meeting. Further, if background material was available, it would be posted with the agenda or made available to City Council on a later date. Mayor Ford asked if the agenda was posted much earlier, what would one do with an additional agenda item provided after posting. City Attorney Iyamu stated the City's practice has been to create an addendum to the agenda, as long as it was posted before 72-hours of the scheduled meeting. City Manager Snipes added that he believed the City should not restrict itself with the agendas as several unexpected agenda items do come up.

Mayor Ford stated two weeks out would be preferred in an effort to assist City Council with researching the millions of dollars they were being asked to make decisions on. Further, this would then afford City Council with the opportunity to meet with City Staff members and ask questions. The Mayor confirmed she was requesting the preliminary agenda packet two weeks before a scheduled meeting. Councilmember Edwards agreed that two weeks was preferred in an effort to better assist her with researching and then voting on matters of the City. Mayor Ford asked if City Staff members would return to City Council with a recommendation. City Manager Snipes stated yes.

(g) Consider and discuss Council voting system technology.

Councilmember Boney requested to have a voting system or technology in place that would allow City Council to have their vote on the record, increase transparency, and allow the community the opportunity to view exactly how City Council voted on matters. Councilmember Sterling and Mayor Ford both agreed. City Manager Snipes stated Director of Communications Walker and MCTV Senior Producer/Manager McBean Jr. have been working on the technology aspect of this request and would bring back recommendations to City Council. Mayor Ford asked that recommendations also include legal changes or concerns, such as push button versus City Council raising hands to vote on agenda items. City Manager Snipes stated upcoming agenda items include an update on the Council renovations and voting system technology.

**3. ADJOURN**

The special City Council meeting adjourned at 9:50 p.m.

Minutes PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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Maria Jackson, City Secretary



**ADMINISTRATIVE PROCEDURE**

<b>Staff Communication With Council</b>		<b>Procedure #</b> #03 - 2016
<b>EFFECTIVE:</b> May 16, 2016		
<b>PREPARED BY:</b> Dr. Edward Williams & CMO Leadership Team		
<b>ORIGINAL DATE PREPARED:</b> March 10, 2016	<b>REVISED:</b>	
<b>Manager's Approval:</b>  <b>Anthony J. Snipes, City Manager</b>		

**INTRODUCTION:**

In a Council-Manager form of government, the City Council serves as the Board of Directors for the City, while the City Manager serves as the Chief Executive Officer of the City. One of the main responsibilities of the City Council is to provide strategic direction to the City Manager for implementation through the various departments, divisions, and units of the City.

The Council sets the mission and vision for the City. Similarly, they adopt policies which provide direction to the City Manager and staff. In his role of City CEO, the City Manager is responsible for the day to day operations, activities, and outcomes of the City, including the compliance to and overall implementation of Council's policies and actions essential to achieving the approved and established strategic vision of the City.

The City Manager serves as the primary liaison and contact point for communication between the Mayor, City Council, and City Staff, with the exception of the City Secretary and City Attorney who are hired directly by the City Council. It is therefore imperative that the City Manager is aware of requests

from, and informational needs of Council members, to ensure that staff provides complete, accurate, and timely responses and information.

Furthermore, the City Manager may also determine whether or not a request requires broader policy discussion; if such requests warrant the dissemination of information to the entire Council; or, if other departments should be involved in the delivery of information or service delivery requests.

Therefore, to continue our progress towards achieving and maintaining a High Performance Organization, and with the above in mind, it is critical that policies, processes, procedures, and the organizational culture are aligned in a consistent and cohesive fashion, to ensure the accurate, timely and appropriate flow of information throughout the organization.

**PURPOSE:**

Establish a clear and concise set of expectations and protocols for staff interaction with City Council.

**ADMINISTRATIVE PROCEDURE:**

- Missouri City staff shall direct all Council requests for assistance, with the exception of requests to the City Attorney and City Secretary or requests for simple existing information, to the City Manager, who will review and make the appropriate determination on a response.

The City Manager may assign a request to an appropriate staff person(s) who will complete said request in a timely and professional manner as appropriate.

The City Manager will ensure a prompt and professional response. Requests for follow-up or directions may be necessary, whereby the City Manager will also respond appropriately.

- Requests by City Council for simple existing information from staff members that may not require a significant amount of time (i.e. less than 30 minutes) to answer may be directed to the appropriate department director.
- If a Councilmember contacts a staff member with a question or questions on a pending agenda item(s), the staff member may answer simple questions. The staff member is also required to inform his/her supervisor and the City Manager of the requested information or inquiry to allow the City Manager to determine if such information should be provided to all Council members prior to the meeting.

## Exhibit "A"

- If a Councilmember contacts a staff member with a request to conduct research on a topic or to initiate a new task, effort or initiative, and informs staff that said new task, initiative or effort will require a significant amount of time (i.e. 30 minutes or more) to research or complete, said staff will acknowledge the request and forward the same to his or her supervisor and copy the City Manager for direction and/or appropriate handling or response. Staff will also suggest to a Councilmember that he/she enter his/her request in the existing work order tracking system, or the staff member will enter the request into the existing work order tracking system at [councilrequest@missouricitytx.gov](mailto:councilrequest@missouricitytx.gov) on a councilmember's behalf.
- Unless an effort is a part of an ongoing, or existing directed effort, staff members should refrain and avoid discussions on management and policy issues with any Councilmember.
- Staff members with a grievance, concern or complaint about personnel matters, departmental operations or other aspects and issues associated with the City, shall follow existing policies and procedures. Staff members shall not contact Councilmembers directly on any such matters.
- The City Manager may develop additional specific guidance and direction on the degree of latitude for Council requests to Assistant City Managers as well as the Chief of Police and Fire Chief.

Examples of non-routine requests which staff should report include , but are not limited to:

- A request that may interfere with the performance of the normal duties of a City employee;
- A request for action that deviates from policy, code, ordinance, law, or the strategic plan;
- A request that creates a new commitment of resources or diverts previously designated resources (people, money, or equipment);
- A request that will have either an immediate or delayed effect on another City Department or another governmental entity;
- A request to have fees waived or reduced for permits or licenses or for the use of City facilities or resources;
- A request that will require City Council action;

Exhibit "A"

- A request for a personnel action to include, hiring, termination, transfer, promotion, or disciplinary action for any employee or employment candidate, except for those employees who report directly to a Council member;
- A request for information or service that is not considered a routine activity by the staff person of whom the request is made.

Failure to comply with the above procedures may result in disciplinary action, as outlined in the Personnel Policy Manual, including and up to termination of employment.

## Administrative Policy and Procedure for Appointed Officials

### I. GENERAL.

Except to the extent specifically superseded by an enforceable contract, city charter provision or city ordinance, the following personal policies and procedure apply to the City Manager, City Secretary, and City Attorney (Appointed Official(s)):

1. Notwithstanding any provision in these Administrative Rules or state law, the City of Missouri City Personnel Policy, as amended, applies to Appointed Officials.
2. Appointed Officials are entitled to participate in all employee benefit plans, practices and programs maintained by the City of Missouri City (the City), and are entitled to accrue and be paid for vacation leave and sick leave (leave) on the same basis as other city employees, in addition to any other negotiated benefit or leave awarded to an Appointed Official.
3. Appointed <sup>Officials</sup> shall maintain a record of their daily attendance in the City's ESS System. The record must include the type of leave taken and the amount of hours charged to the appointed official's leave account. The City Manager must approve the City Secretary's and the City Attorney's time entry for administrative purposes only. **Either the City Secretary or City Attorney** must approve the City Manager's time entry for administrative purposes only.
4. Offsite meetings and appointments relating to the City business are not absences, but must be maintained in the appointed official's city issued Outlook calendar.
5. **On a semi annual basis ESS reporting will be provided to each appointed official for status of leave taken.**

### II. LEAVE REQUEST

#### **(Option A) YES**

All leave may be taken at such times and in such increments as an Appointed Official chooses. The Appointed Official must notify the Mayor and Council of any absences and the designated individual to act in the Appointed Official's absence.

#### **(Option B) NO**

1. The Appointed Official may indicate, in the ESS System, 8 hours for each day the Appointed Official worked, despite working less or more than 8 hours. In the event the Appointed Official works **less than 36 hours** in a calendar week, the Appointed Official shall document the actual hours worked and charge the appropriate leave hours to their account.
2. For **8 consecutive work hours and up to 24 consecutive work hours off or any sick leave off**, the Appointed Official must notify the Mayor and Council by email of their absence and the designated individual to act in the Appointed Official's absence. An

email received from a member of the Appointed Official's staff is sufficient to comply with this rule.

3. Except for sick leave requests or leave requests in accordance with the Family Medical Leave Act, for 4 or more consecutive work days off, no later than three weeks from the date of the request, but as soon as possible, the Appointed Official must send the mayor an email requesting the time off. The Mayor shall approve or deny the request within 14 days of the date the email was sent.
  - a. The Mayor must indicate approval by replying to the email, stating approved. The Appointed Official must immediately notify the Mayor and Council of the planned absence and the designated individual to act in the Appointed Official's absence.
  - b. If the Mayor fails to approve or deny the request within the allotted time, the request is deemed approved, and the Appointed Official must immediately notify the Mayor and Council of the planned absence and the designated individual to act in the Appointed Official's absence.
  - c. If the Mayor denies the request, the Mayor must state the reasons, and the Appointed Official may submit a new request to the full council to be discussed at a meeting in compliance with the Texas Open Meetings Act.
4. Leave request qualifying under the Family Medical Leave Act, must comply with federal and state law.
5. For leave due to illnesses or emergencies, which prevent an Appointed Official from complying with these provisions, when reasonable practicable, the Appointed Official must notify the Mayor and Council and a member of their staff of the leave and update the team of their pending return. Upon the Appointed Official's return to work, and at the request of one or more Councilmembers, the Appointed Official may brief the Council of their absences at a meeting in compliance with the Texas Open Meetings Act.

**Mustang Bayou Regional WWTP**

November 14, 2019

**VIA ELECTRONIC MAIL**

City of Missouri City  
1522 Texas Parkway  
Missouri City, Texas 77489

Attn: Mayor Yolanda Ford ([yolanda.ford@missouricitytx.gov](mailto:yolanda.ford@missouricitytx.gov))  
Council Member Vashaundra Edwards ([vashaundra.edwards@missouricitytx.gov](mailto:vashaundra.edwards@missouricitytx.gov))  
Council Member Chris Preston ([chris.preston@missouricitytx.gov](mailto:chris.preston@missouricitytx.gov))  
Council Member Reginald Pearson ([reginald.pearson@missouricitytx.gov](mailto:reginald.pearson@missouricitytx.gov))  
Council Member Jeffrey L. Boney ([jeffrey.boney@missouricitytx.gov](mailto:jeffrey.boney@missouricitytx.gov))  
Council Member Anthony Maroulis ([anthony.maroulis@missouricitytx.gov](mailto:anthony.maroulis@missouricitytx.gov))  
Council Member Floyd Emery ([floyd.emery@missouricitytx.gov](mailto:floyd.emery@missouricitytx.gov))

Re: Operations of Mustang Bayou Wastewater Treatment Plant ("MB Plant")

Dear Mayor Ford and Council Members:

As you may be aware, Fort Bend County Municipal Utility District No. 48 ("District") participated in the construction and operation of the MB Plant, which is currently being operated by the City of Missouri City ("City") pursuant to a contract with Quail Valley Utility District ("QV"). The District has multiple concerns related to future operations of the MB Plant.

I. MB Plant Rehabilitation Project

The MB Plant was designed and constructed to handle .95 million gallons per day ("MGD") and is currently receiving approximately .65 MGD. Based on discussions with representatives from the Department of Public Works, we understand that the City is purchasing a 1.0 MGD package plant from the City of Pearland and rehabilitating the existing MB Plant, with the goal of combining the two plants and providing a total capacity of 1.60 MGD by this upcoming summer ("Project"). The City has informed us that, pursuant to that certain Regional Wastewater Treatment Facilities Agreement dated March 1, 2010, we are responsible for a pro rata share of the rehabilitation costs. Without accepting or acknowledging the same until we have a chance to review and confirm all the proposed rehabilitation costs the District's share of these costs has been estimated to be approximately \$1,012,000.

II. Replacement of QV as MB Plant Operator

If we are to make a big capital spend to rehabilitate the MB Plant, we want to confirm that it will be well-maintained going forward. We have ongoing concerns related to QV's level of operations, maintenance, and service and think their poor maintenance of the MB Plant over the past nine years is the reason this level of rehabilitation is needed in the first place. Because we are contributing a significant amount of taxpayer funds to the Project and our residents are being serviced by the MB Plant, we need a say in how the MB Plant is maintained and operated, and the operator must have accountability to the District. QV is not accountable to the District or operating the MB Plant anywhere near its peak capability, which has resulted in reduced available capacity and potentially cost the District a loss in revenue and increased operating costs beyond just those associated with the Project. A change in operators is needed to ensure accountability and efficient and effective operation of the MB Plant going forward, and we hereby formally request that the City send out a request for proposals for a replacement operator as soon as possible and

work with the District to make a joint decision on the replacement. We also hereby request a copy of the City's operating agreement with QV.

As you are likely aware, the District is not the only municipal utility district ("MUD") for which the City operates a wastewater treatment plant through QV. Steepbank/Flatbank Wastewater Treatment Plant ("SBFB Plant") participants—Fort Bend County Municipal Utility District No. 42, Fort Bend County Municipal Utility District No. 46, Fort Bend County Municipal Utility District No. 115, Fort Bend County Municipal Utility District No. 129, Fort Bend County Municipal Utility District No. 149, First Colony Municipal Utility District No. 9, and Sienna Plantation Municipal Utility District No. 1 (collectively, "SBFB Participants")—have recently voiced similar concerns about QV as the operator of the SBFB Plant. They collectively sent the City a letter in January 2019 expressing their dissatisfaction with the operator and formally requesting a replacement of the same.

### III. The District Taking Over its Retail Operations

In the City's recent Water and Wastewater Utility Service Providers/MUD Feasibility Analysis ("Feasibility Study"), which was finalized in September 2019, the City describes a number of ways in which it can work with the various MUDs in its corporate limits and extraterritorial jurisdiction to provide the most efficient, effective, and financially prudent long- and short-term utility service to MUD residents. The Feasibility Study provided that the best course of action for the City and the MUDs is to conduct voluntary negotiations on a case-by-case basis to create a specific working relationship and/or timeline between each individual MUD and the City. Option 5 in the Feasibility Study provides one such type of working relationship available to the MUDs—the implementation of a City-wide "wholesale" treatment/supply facilities utility in which each MUD would retain their retail customer facilities and customer relationships, and the City would provide wholesale utility service to each MUD's retained retail utility service. The District would like to take the City up on its offer to begin these individualized negotiations with a formal request to take over all of its retail operations at the MB Plant.

### IV. City Financial Operations

The District has also had ongoing issues with the City's Finance Department in relation to the MB Plant. The City has provided numerous delayed and incorrect invoices for the District's pro rata share of costs related to the MB Plant, and on numerous occasions over the past 2 ½ years, the District's auditor, bookkeeper, and Board President have had to engage with the City's Finance Department to correct/clear up discrepancies with these invoices. In fact, in 2018, the District's Board President was able to confirm a discrepancy in the amount of \$62,000 related to its share of MB Plant operating costs. The City had to pay this amount back to the District, along with costs to cover the time the District's auditor spent on the matter. Ultimately, regardless of the shape the relationship between the District and the City takes with respect to wastewater treatment services going forward, this financial accountability issue must be addressed.

The District appreciates your consideration of and prompt attention to these matters. If you have any questions or would like to further discuss these matters, please do not hesitate to reach out to the District's attorney, Richard L. Muller, Jr., at (281) 500-6050.

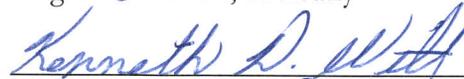
Sincerely,

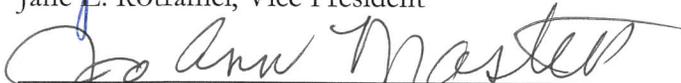
**FORT BEND COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 48**

  
\_\_\_\_\_  
Donna Giblin, President

  
\_\_\_\_\_  
Megan Robertson, Secretary

  
\_\_\_\_\_  
Jane E. Rotramel, Vice President

  
\_\_\_\_\_  
Kenneth Wiltz, Assistant Secretary

  
\_\_\_\_\_  
Jo Ann Masters, Assistant Vice President

Cc: via electronic mail:

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