

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

**April 16, 2020**

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 16<sup>th</sup> day of April, 2020, by Zoom video (Meeting ID: 727 9128 4360, Password: 014970) and teleconference at (1-346-248-7799) due to the current COVID-19 Virus epidemic (the "Emergency"), Section 551.125 of the Texas Government Code, and the guidance of the Governor of the State of Texas, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Beth Murany	President
Vacant	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; Mary Moore Hayes, Executive Assistant General Manager/Board Liaison; Tyler Bridges, Executive Assistant General Manager of Operations; Dominique Reddick, Director of Financial Services; Matt Kellems, Chief Operator; Terrie Sechrist of Sechrist Duckers LLP, attorneys for the District; Chris Canonico of Ardurra Group, LLC ("Ardurra"), engineers for the District; and Chase Wolf and Greg Lentz of Masterson Advisors LLC, financial advisors for the District ("Masterson").

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on March 19, 2020. After discussion, Director Murany made a motion to approve the minutes of the March 19, 2020, Board meeting. Director Acosta seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

No members of the public were present.

**DEVELOPER'S REPORT**

No report was received from a developer of land within the District.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

Ms. Sechrist next presented the Tax Assessor/Collector's Report for March 2020, a copy of which is attached hereto as **Exhibit "A"**. She noted that 97.24% of the District's 2019 taxes and 99.77% of the District's 2018 taxes have been collected as of March 31, 2020.

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. Ruvalcaba then presented the Delinquent Tax Report prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**.

## **FINANCIAL ADVISOR'S REPORT**

Mr. Wolf reported that because the sale parameters set by the Board for the Series 2020 Refunding Bonds had been met, a rating application was submitted to Moody's Investors Service ("Moody's"). He reported that it will take approximately two weeks for Moody's to process the application and that the 2020 Refunding Bonds will be priced after the rating is received, provided the sale parameters continue to be met.

Discussion then ensued regarding revising the sale parameters set by the Board for the Series 2020 Refunding Bonds. After discussion, Director Murany moved that the original parameters requiring a 4.25% minimum net present value savings achieved from the sale of the Series 2020 Refunding Bonds remain in place. Director Acosta seconded the motion, which carried unanimously.

## **DISTRICT ENGINEER'S REPORT**

Mr. Canonico then presented the District Engineer's Report prepared by Ardurra, a copy of which is attached hereto as **Exhibit "C"**. He first discussed Task Order No. E-37, Condition Assessment of Facilities for Lightning and Surge Protection. He informed the Board that Ardurra's fee for this project would not exceed \$17,000.00.

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

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

### **B. Capacity analysis**

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

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

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

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

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

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

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

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

Mr. Canonico 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. Canonico next reported that the advertisement for bids for the sanitary sewer rehabilitation project has been published. He informed the Board that a pre-bid meeting will be held on April 30, 2020, with all bids due by May 7, 2020.

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

Mr. Canonico then presented Pay Application No. 5 from Wharton-Smith, Inc. (“Wharton”) in the amount of \$419,668.28 for the Wastewater Treatment Plant Nos. 1 and 2 Improvements project (the “WWTP Improvements Project”). He informed the Board that Ardurra recommended payment of this Pay Application.

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

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

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

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

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

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

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

Mr. Canonico next discussed the status of the storm sewer repair project on Foursome Lane (the “Storm Sewer Project”). He reported that the contractor, RJ&M Utility Construction, LLC (“RJ&M”), began working on the Storm Sewer Project and encountered ground water. He informed the Board that RJ&M submitted a change order for \$22,500.00, which was more than its original

proposal, he stated that RJ&M did not account for dewatering in its original proposal. He further reported that the District's contract with RJ&M was terminated.

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

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

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

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

**O. Reimbursement and payment options**

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

After discussion, Director Murany made a motion to (i) accept the District's Engineer Report, (ii) approve Pay Application No. 5 submitted by Wharton in the amount of \$419,668.28 for the WWTP Improvements Project, and (iii) accept Task Order No. E-37, subject to final review by the District's attorney. Director Thomas seconded the motion, which passed unanimously.

**ATTORNEY'S REPORT**

Ms. Sechrist first updated the Board on the recent offer from Fort Bend County to purchase a portion of the District's Water Plant No. 3 site to accommodate the construction of John Sharp Drive.

**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 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 a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects**

Ms. Sechrist then presented a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate Resolution") and reviewed with the Board a survey (the "Survey") which reflected the prevailing wage rates for the City of Houston, Fort Bend County, and the United States Department of Labor (the "DOL"). She informed the Board that Fort Bend County has adopted the wage rate scale set by the DOL and that the Wage Rate Scale for the District was determined by taking an average of the DOL and the City of Houston wage rates. After discussion, a motion was made by Director Murany to adopt the Wage Rate Resolution. Director Acosta seconded the motion, which carried unanimously.

**G. 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, 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. Kellems next presented the monthly Field Operations Report, a copy of which is attached hereto as part of Exhibit "D". He stated that there were no safety violations in March.

Mr. Bridges then presented a status update on District and developer projects, a copy of which is attached hereto as part of **Exhibit "D"**. He reported that the hydrant painting project is in progress, the recoating of Water Plant Nos. 1 and 2 is completed, and the gas station at the corner of Old Richmond Road and F.M. 1464 has opened. He also reported that the water line to serve the Imperial Business Park property has been installed and the storage facility is being constructed.

After discussion, a motion was made by Director Murany 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. She stated that 170 of the 222 residents past due were from March.

After discussion, a motion was made by Director Murany to accept the Billing and Collections Report and waive disconnection and late fees as of April 16 until May 21 in response to the Emergency. 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 an automated login system (Bird's Nest) for operations is being tested and should be fully operational next week. She also reported that the Bird's Nest system can be used to populate the information required in Texas Commission on Environment Quality (the "TCEQ") reports. She also stated that the Information Technology Department is installing WebEx for use with future remote teleconference meetings. After discussion, a motion was made by Director Murany 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**

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".

Mr. Reddick then discussed the quarterly budget adjustments, a copy of which is attached hereto as part of Exhibit "F". Discussion ensued regarding the renewal of certificates of deposit and interest rates.

After further discussion, a motion was made by Director Murany to accept the Bookkeeper's Report and authorize payment of all disbursements listed there on 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) Review and approve second quarter result of Group Goals for fiscal year 2019-2020**

Ms. Ruvalcaba next presented the second quarter Group Goals report, a copy of which is attached hereto as Exhibit "G". She reported that the benchmark for water losses has been exceeded. She also reported that efforts to reduce water losses include purchasing leak detection equipment and retaining a company to calibrate commercial meters with high use. Mr. Kellems reported that a contractor will begin calibrating 28 commercial meters next week.

After discussion, a motion was made by Director Acosta to accept the Group Goals report. The motion was seconded by Director Murany which carried by unanimous vote.

**(iii) Any other matters deemed appropriate and related to overall Administrative items, Human Resources, etc.**

Ms. Ruvalcaba stated that District office is closed due to an employee exhibiting possible symptoms of the COVID-19 virus. She reported that the offices are being

sanitized. She also reported that the District has an app that rotates incoming telephone calls between four employees who are working remotely.

**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) Authorize the preparation and distribution of a draft Consumer Confidence Report;**
- (vi) Approve the five year “Water Conservation Plan”; and**
- (vii) Risk Management items.**

Ms. Ruvalcaba next informed the Board that the annual Consumer Confidence Report (“CCR”) will be prepared after receipt of the template from the TCEQ. After discussion, a motion was made by Director Murany to authorize the completion of the CCR upon receipt of the template from the TCEQ and the distribution of same to the District’s customers. The motion was seconded by Director Farley 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 preventative maintenance has been performed on all of the District’s HVAC and irrigation systems. He also reported that bids are currently being solicited for tree trimming services.

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

Ms. Hayes then informed the Board that a conference call is scheduled for tomorrow with Bryan Janhsen, a landscape architect who previously provided services in connection with QLIP projects, and Ethan Beeson, a landscape architect with the Texas Department of Transportation (“TxDOT”), to discuss replanting the medians on F.M. 1464 near John Sharp Drive in order to reduce maintenance costs. She stated that the TxDOT will need final plans for the median renovation by July.



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 stated that she had no information to report under this agenda item.

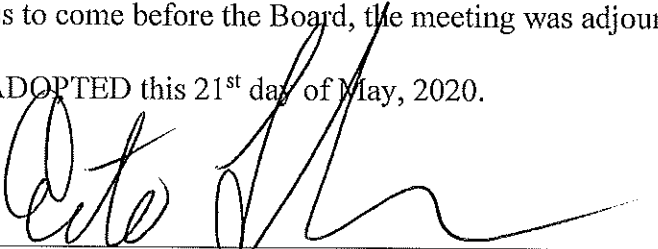
OTHER MATTERS

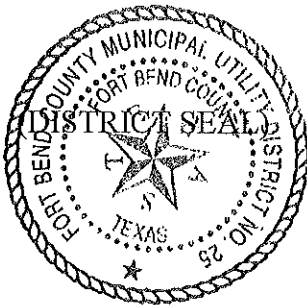
Ms. Sechrist next reported that as of March 31, 2020, Director Webb is no longer eligible to serve as a Director because he does live in or own property in the District. Discussion then ensued regarding the filling of this Board vacancy.

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 May, 2020.

  
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Secretary, Board of Directors



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