

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

**March 19, 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 19<sup>th</sup> day of March, 2020, 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, except Director Thomas, during all or a portion of the meeting, thus constituting a quorum, with Director Webb participating by telephone pursuant to the current COVID-19 Virus pandemic emergency (the "Emergency"), Section 551.125 of the Texas Government Code, and the guidance of the Governor of Texas.

Also present during all or a portion of the meeting were Leonela Ruvalcaba, Executive General Manager; Tyler Bridges (by telephone), Executive Assistant General Manager of Operations; Dominique Reddick, Director of Financial Services; Matt Kellems (by telephone), Chief Operator; Terrie Sechrist of Sechrist-Duckers LLP, attorneys for the District; Chris Canonico (by telephone) of Ardurra Group, LLC ("Ardurra"), engineers for the District; Chase Wolf (by telephone) of Masterson Advisors LLC, financial advisors for the District ("Masterson"); and Deputy Misael Davila of the Fort Bend County Sheriff's Office.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on February 20, 2020. After discussion, Director Murany made a motion to approve the minutes of the February 20, 2020, Board meeting, as amended. Director Farley 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 February 2020, a copy of which is attached hereto as Exhibit "A". She noted that 95.47% of the District's 2019 taxes and 99.76% of the District's 2018 taxes have been collected as of February 29, 2020.

Ms. Ruvalcaba next presented two requests from property owners in the District for waiver of penalties and interest assessed due to the late payment of their 2019 District taxes. Copies of the requests are attached hereto as part of Exhibit "A". She informed the Board that Ms. Jones stated that she timely mailed the check to the District's tax assessor/collector; however, the District's tax assessor/collector has indicated the check was not received. She further informed the Board that Mr. Teshome stated that he never received a tax statement from the District. She stated that the District's tax assessor/collector has indicated that a tax statement was mailed to Mr. Teshome.

After discussion, Director Murany moved that the Board (i) accept the Tax Assessor/Collector's Report and authorize payment of the checks drawn on the District's tax account, (ii) deny the requests for waiver of the late payment penalty and interest made by Ms. Jones and Mr. Teshome as no evidence had been presented that an error by the District's tax assessor/collector or the Fort Bend County Appraisal District had caused or contributed to the late payments, and (iii) authorize a six (6) month payment plan for both Ms. Jones and Mr. Teshome to pay their 2019 taxes, provided they timely pay their 2020 taxes and understand that they are not eligible to request or receive another payment plan for a period of twenty-four (24) months. The motion was seconded by Director Acosta and carried by unanimous vote.

### **A. Consider granting exemptions from taxation for tax year 2020 and the adoption of a resolution in connection therewith**

Ms. Sechrist next outlined for the Board the various tax exemptions available under the Texas Tax Code for the District to grant to landowners within the District's boundaries. She informed the Board that last year it granted an exemption of \$10,000 of the appraised value of the residence homestead of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or who are sixty-five (65) years of age or older (the "Disabled/Over 65 Exemption"). After discussion, Director Webb moved that the Board adopt a Resolution Concerning Exemptions from Taxation that grants a \$10,000 Disabled/Over 65 Exemption for tax year 2020. Director Farley seconded the motion, which carried unanimously.

### **B. Adopt a Resolution Authorizing Additional Penalty on Delinquent Taxes**

The Board next considered adopting a resolution that authorizes the imposition of an additional penalty of 20% on tax accounts that are not paid in accordance with the Texas Tax Code (the "Additional Penalty Resolution"). Ms. Sechrist reminded the Board that the additional penalty would be used to pay the District's delinquent tax attorney. After discussion, upon a motion made by Director Acosta and seconded by

Director Murany, the Board voted unanimously to adopt the Additional Penalty Resolution.

**C. Adopt a Resolution Concerning Tax Collection Procedures**

Ms. Sechrist next outlined for the Board the various tax collection procedures available to the District. She reported that the Board has the option of rejecting or permitting: (i) the District to refrain from sending a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00 or more; (ii) the split payment of taxes; and (iii) discounts for the early payment of taxes. After discussion, Director Acosta moved that the Board adopt a Resolution Concerning Tax Collection Procedures that rejects: (i) the option to not send a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00; (ii) the option to allow the split payment of taxes; and (iii) the option to offer discounts for the early payment of taxes. Director Webb seconded the motion, which carried unanimously.

**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"**.

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

**CONSIDER A PLAN OF FINANCING RELATING A SERIES 2020 REFUNDING BONDS ISSUE (THE "2020 REFUNDING BONDS")**

Mr. Wolf next reported that although the bond market is currently volatile, he is hopeful that it will soon stabilize enough to allow the sale of the 2020 Refunding Bonds within the parameters established by the Board.

Mr. Wolf then presented an MSRB G-17 Disclosure Statement (the "Disclosure Statement") from SAMCO Capital Markets, Inc. ("SAMCO"), the underwriter for the Series 2020 Refunding Bonds. After discussion, Director Acosta moved that the Board acknowledge receipt of the Disclosure Statement from SAMCO. Director Farley 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"**.

**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 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. Canonico then presented Pay Application No. 4 from Wharton-Smith, Inc. ("Wharton") in the amount of \$43,700 for the Wastewater Treatment Plant Nos. 1 and 2 Improvements project (the "WWTP Improvements Project"). He also presented Pay Application No. 7 from The Trey Evans Company ("Evans") in the amount of \$42,840 for the recoating of Wastewater Treatment Plant Nos. 1 and 2 (the "STP Recoating Project"). He informed the Board that Ardurra recommended payment of both Pay Applications.

**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 informed the Board that the District is in the process of retaining a landscape architect coordinate a change in the medians on F.M. 1464 to native plants to make the medians more sustainable and create less overhead. He next informed the Board that an advertisement for bids for the wastewater collection rehabilitation project will be placed next month.

**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. 4 submitted by Wharton in the amount of \$43,700 for the WWTP Improvements Project, and (iii) approve Pay Application No. 7 submitted by Evans in the amount of \$42,840 for the STP Recoating Project. Director Webb seconded the motion, which passed unanimously.

**ATTORNEY'S REPORT**

**A. Receive requests for annexation of land into the District and authorize all appropriate action, including acceptance of annexation petitions from landowners, execution of petitions to the City of Houston for consent to annexation, adoption of Order(s) Adding Land into the District and approval of Amendment to District Information Form**

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

**B. Approval of utility commitment letters**

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

**C. Approval of developer reimbursement agreements**

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

**D. Approval of resolutions to the Texas Commission on Environmental Quality 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. Authorize all interested Directors to attend the AWBD Annual Conference to be held in June in Grapevine, Texas**

The Board next discussed the AWBD Summer Conference to be held in June in Grapevine, Texas (the "AWBD Summer Conference"). After discussion, a motion was made by Director Farley to approve the attendance of all interested Directors at the AWBD Summer Conference. The motion was seconded by Director Acosta and carried by unanimous vote.

**G. Consider annual review of the prevailing wage rate scale for construction projects and consider authorizing survey of wages**

Ms. Sechrist next advised the Board that Chapter 2258 of the Texas Government Code requires that each year, the District determine the general prevailing rate of per diem wages for certain crafts and types of workers on District construction projects and the general prevailing rate of per diem wages for legal holiday and overtime work. After discussion, a motion was made by Director Murany to authorize the District's attorney to conduct a survey of the wages received by classes of workers employed on public works projects of Fort Bend County, the City of Houston, and the United States Department of Labor. The motion was seconded by Director Webb and carried by unanimous vote.

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

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

F. **Acceptance of the Certification of Unopposed Candidates regarding the May 2, 2020, Directors' Election**

Ms. Sechrist next presented to the Board a Certificate of Unopposed Candidates (the "Certificate") regarding the May 2, 2020, Director's Election (the "Directors' Election"). She informed the Board that only three (3) candidate applications were on file and only three (3) open Director positions were available. After discussion, Director Webb moved that the Board accept the Certificate, which motion was seconded by Director Acosta and carried unanimously

G. **Adoption of an Order Declaring Candidates Elected and Cancellation of the May 2, 2020, Directors' Election**

The Board next considered adopting an Order Declaring Candidates Elected and Canceling Election (the "Order"). Ms. Sechrist noted that the Texas Election Code and the Texas Water Code provide that when the number of candidates and the number of Board positions available are the same, the election can be cancelled, thereby saving the District the expense of conducting an election. After discussion, Director Murany moved that the Board adopt the Order declaring Julio Acosta, Escoto Thomas, and Glenn Farley elected as Directors of the District for a four-year term ending May 2024, and canceling the May 2, 2020, Directors' Election. The motion was seconded by Director Farley and unanimously approved.

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. Kellums next presented the monthly Field Operations Report, a copy of which is attached hereto as part of **Exhibit "D"**. He also presented a status update on District and developer projects, a copy of which is attached hereto as part of **Exhibit "D"**.

Mr. Bridges reported that water well no. 2 project has been completed and that the hydrant painting project has started and should be completed by the end of April.

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. After discussion, Director Acosta made a motion to waive disconnection and late fees as of March 19 until May 1, 2020 due to the Emergency. Director Farley 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 Farley 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 some of the District's surplus information technology items recently were sold at an auction for \$1,400. She also reported that the remaining surplus items are being used to allow District employees to work from home during the pendency of the Stay Home/Work Safe COVID-19 orders (the "COVID-19 Orders"). After discussion, a motion was made by Director Farley to approve Information Technology Report. Director Acosta 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 the April 1 bond payments were made today.

After discussion, a motion was made by Director Webb 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 Acosta 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 District employees will rotate working from home during the pendency of the COVID-19 Orders, with one (1) employee in each department working in the office and five (5) employees in operations working in the field.

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

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

**(i) General building items; and**

Mr. Bridges informed the Board about the preventative maintenance work on the District's air conditioning systems will be performed after the expiration of the COVID-19 Orders.

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

Mr. Bridges next reported that someone recently tampered with the sprinkler controls in the F.M. 1464 medians.

**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.

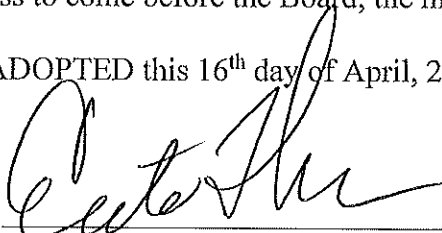
**OTHER MATTERS**

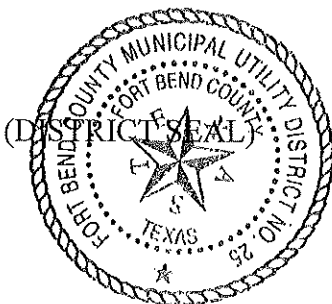
Director Webb next reported that because his house in the District is under contract for sale, with the closing scheduled for March 30, 2020, he is tendering his resignation as a Board Member. After discussion, the Board concurred to accept Director Webb's resignation upon the closing of the sale of his house in the District. The Board thanked Director Webb for his years of service and valuable contributions to the Board and the District.

**ADJOURNMENT**

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

PASSED, APPROVED and ADOPTED this 16<sup>th</sup> day of April, 2020.

  
Secretary, Board of Directors



**LIST OF ATTACHMENTS**

	Minutes
	<u>Page</u>
tax assessor/ collector's report.....	2
delinquent tax attorney's report.....	3
district engineer's report.....	3
operations report.....	7
termination list.....	8
bookkeeper's report.....	8