

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

July 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 16th day of July, 2020, by Zoom video (Meeting ID: 812 2024 9325, Password: 160109) 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; Dominique Reddick, Director of Financial Services; Matt Kellems, Chief Operator; Terrie Sechrist of Sechrist-Duckers LLP, attorneys for the District; Tyler Bridges, Executive Assistant General Manager, Operations; Chris Canonico of Ardurra Group, LLC (“Ardurra”), engineers for the District; Greg Lentz and Chase Wolf of Masterson Advisors LLC, financial advisors for the District (“Masterson”); and Brian Addicks and Robert Taylor, residents of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on June 18, 2020. After discussion, Director Murany made a motion to approve the minutes of the June 18, 2020, Board meeting, as presented. Director Acosta seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Addicks, a civil engineer and resident of the District, expressed interest in the vacant Board position.

Mr. Taylor requested that the Board consider suspending all service disconnections during COVID. He informed the Board that his account was several months past due.

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 June 2020, a copy of which is attached hereto as **Exhibit "A"**. She noted that 98.61% of the District's 2019 taxes and 99.77% of the District's 2018 taxes have been collected as of June 30, 2020. Director Murany inquired as to why a large value reduction refund check was issued to Corelogic. Ms. Sechrist stated that she would contact Assessments of the Southwest regarding this refund check.

After discussion, Director Murany moved that the Board accept the Tax Assessor/Collector's Report and authorize payment of all disbursements listed thereon or otherwise presented at the meeting. The motion was seconded by Director Thomas 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 there are no updates since last month's report because the courts will not reopen until August 1, at the earliest.

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

FINANCIAL ADVISOR'S REPORT

Mr. Lentz first informed the Board that because the bond amount approved by the Texas Commission on Environmental Quality (the "TCEQ") was split into two issues, there is a shortfall of approximately \$65,000 for bond issuance expenses associated with the second bond issue ("2020 Bond Issuance Expenses"). After discussion, the Board concurred to use surplus bond funds to pay the 2020 Bond Issuance Expenses.

REVIEW AND CONSIDER APPROVAL OF THE OFFICIAL NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE DISTRICT'S SERIES 2020A UNLIMITED TAX BONDS AND AUTHORIZE DISTRIBUTION OF SAME

Mr. Lentz next presented and reviewed with the Board the Official Notice of Sale and Preliminary Official Statement for the District's \$3,940,000 Unlimited Tax Bonds, Series 2020A (the "Series 2020A Bonds"). After discussion, Director Acosta moved that the Board approve the Official Notice of Sale and Preliminary Official Statement for the Series 2020A Bonds, subject to the inclusion of all comments from the Board and District consultants, and authorize the distribution of same. Director Farley seconded the motion, which passed unanimously.

DESIGNATE A DATE, TIME, AND PLACE FOR THE SALE OF THE DISTRICT'S SERIES 2020A UNLIMITED TAX BONDS AND AUTHORIZE THE DISTRICT'S FINANCIAL ADVISOR TO ADVERTISE THE SALE OF THE DISTRICT'S SERIES 2020A UNLIMITED TAX BONDS

The Board next discussed setting a date for the sale of the Series 2020A Bonds. After discussion, Director Acosta moved that the Board sell the Series 2020A Bonds on Thursday, August 20, 2020, at 5:30 p.m. at the District's Administration Building and authorize Masterson to advertise such sale as required by law. Director Farley seconded the motion, which passed unanimously.

DESIGNATE A PAYING AGENT/REGISTRAR IN CONNECTION WITH THE DISTRICT'S SERIES 2020A UNLIMITED TAX BONDS

The Board then considered designating a paying agent/registrar for the Series 2020A Bonds. Mr. Lentz informed the Board that Zions Bancorporation, National Association dba Amegy Bank ("Amegy Bank"), currently serves as the paying agent/registrar for the District's Series 2020 refunding bonds. After discussion, Director Acosta moved that the Board designate Amegy Bank as the Paying Agent/Registrar for the Series 2020A Bonds. 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 next presented Task Order No. E-29 relating to the preparation of Bond Application No. 22.

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. Authorize and/or concur 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. Approve and/or concur in the approval of pay estimates and change orders on current construction projects within the District

Mr. Canonico then presented Pay Application No. 8 from Wharton-Smith, Inc. (“Wharton”), in the amount of \$390,449.71 for the Wastewater Treatment Plant Nos. 1 and 2 improvements project (the “WWTP Improvements Project”). He informed the Board that Ardurra recommends payment of this Pay Application.

Mr. Canonico next presented Change Order No. 1 for the WWTP Improvements Project in the amount of \$5,701.84 to replace additional piping at Lift Station No. 2 and two (2) plug valves for piping at Wastewater Treatment Plant No. 2. He informed the Board that Ardurra recommends approval of this Change Order.

I. Grant or accept 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. Grant or consent 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 stated that he had no information to report on this agenda item.

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 Task Order E-29, subject to review and comment by the District's attorney; (iii) approve Pay Application No. 8 submitted by Wharton in the amount of \$390,449.71 for the WWTP Improvements Project; and (iv) approve Change Order No. 1 submitted by Wharton in the amount of \$5,701.84 for the WWTP Improvements Project. Director Thomas seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

A. 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 first reported that the District's petition requesting approval to annex the Fisher Global tract was on the City of Houston City Council July 22 agenda for approval.

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 next presented a resolution to the Texas Commission on Environmental Quality for a change in use and release of surplus funds (the "TCEQ Resolution") in the amount of \$65,000 for the 2020 Bond Issuance Expenses. After discussion, Director Murany made a motion to approve the TCEQ Resolution. 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.

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 reported that large leaks were recently discovered and repaired, resulting in an increase in the District's water accountability.

Mr. Bridges then reported that the Foursome Lane project will be completed next week.

After discussion, a motion was made by Director Murany to accept the Field Operations Report. Director Thomas 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;**

The Board next considered Mr. Taylor's request that the District suspend disconnection of utility service until further notice. Ms. Ruvalcaba informed the Board that Fort Bend County had not renewed its request that utility service

disconnections be suspended. She also informed the Board that an anonymous donor had paid Mr. Taylor's past due utility bills. After discussion, the Board concurred to deny Mr. Taylor's request to suspend disconnections.

- (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, a motion was made by Director Murany to terminate water service to those accounts on the Termination List that have not been paid in accordance with the District's Rate Order or an approved payment plan. Director Acosta seconded the motion, which carried unanimously.

After further discussion, a motion was made by Director Murany to accept the Billing and Collections Report. 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 stated that she had no information to report on this agenda item.

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 informed the Board that on July 3, 2020, a certificate of deposit in the amount of \$2,052,789.05 matured and the funds were deposited into the Debt Service account.

Mr. Reddick next presented the budget adjustments for the upcoming fourth quarter, a copy of which is attached hereto as part of **Exhibit "F"**. He reported that District staff are working on the budget for the 2020-2021 fiscal year.

After discussion, a motion was made by Director Murany to (i) accept the Bookkeeper's Report, (ii) authorize payment of all disbursements listed on the Bookkeeper's Report or otherwise presented at the meeting, and (iii) accept the fourth quarter budget adjustments. 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 stated because two (2) District employees recently tested positive for the COVID-19 virus, the District office staff are now working from home. She also informed the Board that the Operations staff is working with a skeleton crew. She further reported that the District offices have been sanitized and all other staff members have tested negative for the COVID-19 virus.

After discussion, a motion was made by Director Murany to accept the Human Resources Report. The motion was seconded by Director Acosta 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) Review and approve Third quarter result of Group Goals for fiscal year 2019-2020; and

Ms. Ruvalcaba next presented the third quarter Group Goal results for fiscal year 2019-2020, a copy of which is attached hereto as Exhibit "G". She reported that all categories are on track to meet established goals.

- (vi) Risk Management items.

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

After discussion, Director Murany made a motion to accept the third quarter Group Goal results. 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 stated that he had no information to report under this agenda item.

(ii) General landscape and grounds items.

Mr. Bridges next reported that District staff is working on obtaining and installing the conversion kits for the sprinkler heads in the median near Voss Road.

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).

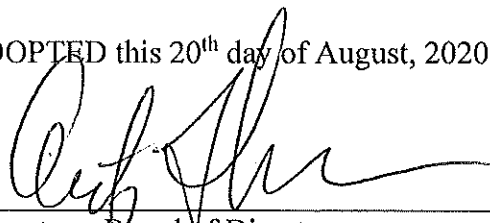
Ms. Hayes informed the Board that attempts to have full time staff in the office by social distancing were not successful because out-of-office activities could not be controlled, which resulted in the work from home policy.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 20th day of August, 2020.





Secretary, Board of Directors

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