

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

November 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 19th day of November, 2020, by Zoom video (Meeting ID: 813 5667 0741, Password: 723917) 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
Julio Acosta	Vice President/Assistant Secretary
Glenn Farley	Assistant Vice President
Escoto Thomas	Secretary/Investment Officer
Brian Addicks	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; Tyler Bridges, Construction and Maintenance Manager; Terrie Sechrist of Sechrist-Duckers LLP, attorneys for the District; Chris Canonico of Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson of Assessments of the Southwest ("ASW"), tax assessor/collector for the District; Chase Wolf of Masterson Advisors LLC, financial advisors for the District ("Masterson"); Ray Lofti, a potential owner of property in the District; and Michael Slater, a resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on October 15, 2020. After discussion, Director Murany made a motion to approve the minutes of the October 15, 2020, Board meeting, as presented. Director Thomas seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Slater next inquired about what prompted the recent security measures at Wastewater Treatment Plant No. 1 (the "Plant"). Ms. Sechrist informed Mr. Slater that reasons for the homeland security measures applicable to the Plant are protected from disclosure to the public.

Mr. Lofti then stated that he owns two (2) tracts of land near the Oak Lake Court detention pond. He inquired if the District would be interested in exchanging the detention pond site for one

of his tracts of land so that he can construct an apartment project on the current detention pond site. After discussion, the Board requested that Mr. Lofti present a written proposal detailing his proposed development plans.

DEVELOPER'S REPORT

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

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 "A"**. He first presented Ardurra's Task Order No. E-32 for the Wastewater Treatment Plant No. 2 blower replacement project. He stated that the maximum amount to be paid to Ardurra under this task order is \$136,190.00.

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. 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 next presented Pay Application No. 12 from Wharton-Smith, Inc. (“Wharton”), in the amount of \$183,887.01 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 then presented Pay Application No. 3 from Texas Pride Utilities, LLC (“Texas Pride”), in the amount of \$88,265.69 for the Park Pointe sanitary sewer rehab project (the “Park Pointe Sewer Project”). He informed the Board that Ardurra recommends payment of this Pay Application.

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 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 No. E-32, subject to final review by the District’s Attorney; (iii) approve Pay Application No. 12 submitted by Wharton in the amount of \$183,887.01 for the WWTP Improvements Project; and (iii) approve Pay Application No. 3 from Texas Pride in the

amount of \$88,265.69 for the Park Pointe Sewer Project. Director Thomas seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson presented the Tax Assessor/Collector's Report for October 2020 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "B"**. He noted that 99.42% of the District's 2019 taxes and 99.8% of the District's 2018 taxes have been collected as of October 31, 2020.

Mr. Patterson then discussed a new chart added to the end of the Tax Report regarding items recommended/approved for the uncollectible roll (the "Uncollectible Chart"). After discussion, the Board requested that the Uncollectible Chart be populated/updated monthly.

Ms. Hayes then requested that Mr. Patterson drive the District with Mr. Bridges to confirm that all taxable real property within the District is included on the Fort Bend Central Appraisal District tax rolls.

After further discussion, Director Acosta moved that the Board (i) authorize the seven (7) recommended accounts on the Uncollectible Chart be moved to the Uncollectible Rolls, (ii) accept the Tax Report, and (iii) authorize payment of all disbursements listed on the Tax Report or otherwise presented at the meeting. The motion was seconded by Director Farley 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 "C"**. After discussion, a motion was made by Director Murany, seconded by Director Acosta and unanimously carried, to accept the Delinquent Tax Attorney's Report and authorize the recommended items be moved to the uncollectible roll.

ATTORNEY'S REPORT

Mr. Wolf first discussed a pro forma cash flow analysis for the proposed Series 2021 unlimited tax bonds, a copy of which is attached hereto as **Exhibit "D"**.

Ms. Sechrist next reported that a draft of the Bond Application Report for the proposed Series 2021 bonds has been reviewed by the District's Engineer, Attorney and Financial Advisor. She stated that the revised draft should be finalized and filed with the Texas Commission on Environmental Quality (the "TCEQ") the first week of December.

After discussion, Director Murany made a motion to authorize the filing of the Bond Application Report for the Series 2021 Bonds with the TCEQ after final review by the District's Engineer, Attorney and Financial Advisor. Director Acosta seconded the motion, which carried by unanimous vote.

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

B. **Approval of utility commitment letters**

Ms. Sechrist stated that she had no information to report under 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 amendments to the District's Rate Order**

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

G. **Adopt a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District.**

Ms. Sechrist stated that this agenda item will be considered at the December Board meeting.

After further discussion, Director Murany made a motion to accept the Attorney's Report. Director Thomas 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 "E"**.

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 "F"** (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 after November 26, 2020 (the Thanksgiving holiday) 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 "G"**. He informed the Board that there are no outstanding accounts receivable. After discussion, a motion was made by Director Murany to (i) accept the Bookkeeper's Report, and (ii) authorize payment of all disbursements listed on the Bookkeeper's Report or otherwise presented at the meeting. The motion was seconded by Director Addicks 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 she had no information to report on this agenda item.

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 under this agenda item.

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

- (i) General building items; and**

Mr. Bridges reported that the garage shop door at Wastewater Treatment Plant No. 1 recently was replaced.

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

Mr. Bridges stated that he had nothing to report under this agenda item.

After discussion, a motion was made by Director Murany to accept the Landscaping, Grounds and Building Maintenance Report. The motion was seconded by Director Thomas 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; and**
- (iv) Future/Strategic Planning Issues (overall).**

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

CONVENE IN EXECUTIVE SESSION TO DELIBERATE, REVIEW, AND DISCUSS EMPLOYEE MATTERS

At 6:28 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

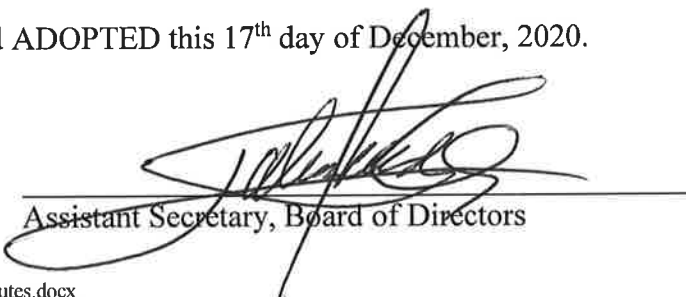
ACTION RESULTING FROM EXECUTIVE SESSION

The Board reconvened in public session at 7:03 p.m. No action was taken.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 17th day of December, 2020.



Assistant Secretary, Board of Directors

(DISTRICT SEAL)

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