

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

October 15, 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 15th day of October, 2020, by Zoom video (Meeting ID: 882 6997 9355, Password: 829546) 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; and Brad Moon, resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on September 17, 2020. After discussion, Director Murany made a motion to approve the minutes of the September 17, 2020, Board meeting, as amended. Director Acosta seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Moon stated that he was interested in information about aquifers.

DEVELOPER'S REPORT

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

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson presented the Tax Assessor/Collector's Report for September 2020, a copy of which is attached hereto as **Exhibit "A"**. He noted that 99.41% of the District's 2019 taxes and 99.8% of the District's 2018 taxes have been collected as of September 30, 2020.

After discussion, Director Murany moved that the Board accept the Tax Assessor/Collector's Report and authorize payment of all disbursements listed on the Tax Assessor/Collector's 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 "B"**. After discussion, a motion was made by Director Murany, seconded by Director Farley and unanimously carried, to accept the Delinquent Tax Attorney's Report and authorize the recommended items to be moved to the uncollectible roll.

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. 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. 11 from Wharton-Smith, Inc. ("Wharton"), in the amount of \$327,143.51 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. He also presented Change Order No. 9 for the WWTP Improvements Project in the amount of \$33,031.57 to provide and install a beam and support bracing for the influent pipe for Clarifier No. 1 at WWTP No. 1. He informed the Board that Ardurra recommends approval of this Change Order.

Mr. Canonico then presented Pay Application No. 2 from Texas Pride Utilities, LLC ("Texas Pride"), in the amount of \$317,007.00 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.

Mr. Canonico next presented Pay Application No. 1 and Final from AR Turnkee Construction Company, Inc. ("Turnkee"), in the amount of \$74,533.00 for the Storm Drain Repairs at Foursome Lane (the "Foursome Lane 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 Pay Application No. 11 submitted by Wharton in the amount of \$327,143.51 for the WWTP Improvements Project; (iii) approve Change Order No. 9 submitted by Wharton in the amount of \$33,031.57 for the WWTP Improvements; (iv) approve Pay Application No. 2 from Texas Pride in the amount of \$317,007.00 for the Park Pointe Sewer Project; and (vi) approve Pay Application No. 1 and Final submitted by Turnkey in the amount of \$74,533.00 for the Foursome Lane Project. Director Acosta seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist first informed the Board that Fort Bend County Fresh Water Supply District No. 2 ("FW2") has exercised its option to purchase an additional 120,000 gallons per day in Wastewater Treatment Plant No. 2 and that an amendment to the Amended and Restated Waste Disposal Agreement between the District and FW2 is being prepared for the Board's consideration at its November meeting.

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 next reported that Ya-Rehman, Enterprises Inc., and its assignee, ABBAS Management, LLC (collectively, the "Developer"), have requested an extension of a utility commitment for fifty (50) equivalent single family connections that was originally issued by LAN in February 2017 for a commercial development on a 6.7 acre tract at the corner of F.M. 1464 and Old Richmond Road (the "Tract"). After discussion, a motion was made by Director Murany to approve the Developer's request for an extension of the original utility commitment to the Tract provided that a certificate of substantial completion for the improvements to be constructed on the Tract is issued by December 21, 2022. The motion was seconded by Director Thomas and carried unanimously.

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 discussed filing a resolution with the TCEQ (the “TCEQ Resolution”) requesting the release of the interest earnings in the Series 2010 escrow account at the Fayetteville Bank. After discussion, Director Thomas made a motion to approve the TCEQ Resolution. The motion was seconded by Director Farley 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.

Ms. Ruvalcaba then presented an Amended and Restated Resolution Adopting Energy Consumption Reduction Measures (the “Energy Resolution”), as required by statute. After discussion, a motion was made by Director Murany to adopt the Energy Resolution. The motion was seconded by Director Acosta and carried by unanimous vote.

After further discussion, Director Murany made a motion to accept the Attorney’s Report. Director Addicks 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 one (1) new tap line was made in September for the new gas station in front of the Windsor Estates subdivision.

Mr. Kellems then reported on a regulatory violation due to the weekend on-call operator's failure to complete the required plant log-ins. He informed the Board that the violation was reported to the TCEQ. He also informed the Board that procedures have been put into place to make sure a weekend on-call operator completes the necessary log-ins.

After discussion, a motion was made by Director Murany to accept the Field Operations Report. Director Acosta 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, a motion was made by Director Acosta 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 Farley seconded the motion, which carried unanimously.

After further discussion, a motion was made by Director Acosta 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 the fixed network is operating at 99%. After discussion, a motion was made by Director Murany to accept the 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 informed the Board that there are no outstanding accounts receivable.

- (ii) **Consider proposals relative to renewal of the District's insurance policies coverage expiring November 2020**

The Board next considered renewal of the District's current insurance policies that expire November 3, 2020. Mr. Reddick informed the Board that the renewal premium is \$170,000 and that the District's property information with the insurance companies has been updated.

- (iii) **Report budget results for fiscal year October 1, 2019 through September 30, 2020**

Mr. Reddick next informed the Board that based upon preliminary numbers, the District had a net positive budget for the 2020 fiscal year of \$272,000.

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) approve renewal of the District's insurance policies. 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 informed the Board that the office staff will continue to work with an on-site skeleton crew until December 31, 2020, at which time the staffing schedule will be reviewed.

After discussion, a motion was made by Director Murany to accept the Human Resources Report. The motion was seconded by Director Farley 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) 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 ultraviolet lights have been added to the District's air conditioning units in order to prevent the spread of the COVID-19 virus and that trees around the District's facilities have been trimmed pursuant to the District's vulnerability assessment plan.

Mr. Bridges then reported that a break-in recently occurred at Wastewater Treatment Plant No. 1. He informed the Board additional fencing and security lights will be installed at the plant.

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

Mr. Bridges next reported that a car recently hit a tree near the operations building after going around a curve too fast. He reported that there was slight damage to the bottom of a light pole.

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;
- (iv) Future/Strategic Planning Issues (overall); and
- (v) Annual results of Group Goals for October 1, 2019 – September 30, 2020.

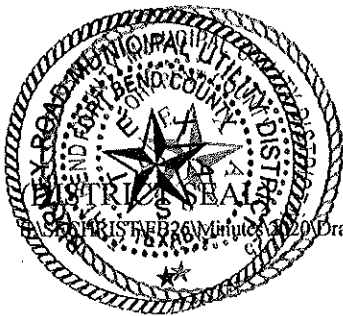
Ms. Hayes reported that a flow meter has been installed on the influent pipe at Wastewater Treatment Plant No. 2 to measure the flow sent by FW2 to the plant. She also reported that Mr. Bridges is preparing a comprehensive spreadsheet of all District equipment, when each piece of equipment was first utilized, and when it was last serviced.

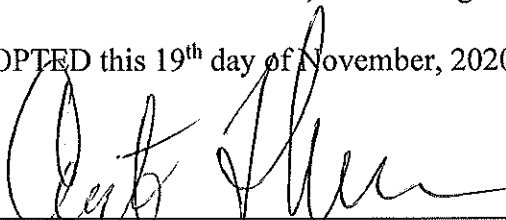
Ms. Ruvalcaba next presented the Annual Results of Group Goals report for October 1, 2019, through September 30, 2020, a copy of which is attached hereto as Exhibit "G". She informed the Board that 97% of the goals were met, except for the Real Water Losses goal. After discussion, a motion was made by Director Murany to accept the Annual Results of Group Goals report. The motion was seconded by Director Acosta and carried by unanimous vote.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 19th day of November, 2020.





Secretary, Board of Directors



LIST OF ATTACHMENTS

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