

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

September 17, 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 17th day of September, 2020, by Zoom video (Meeting ID: 815 3234 8178, 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; Chase Wolf of Masterson Advisors LLC, financial advisors for the District ("Masterson"); and David Patterson of Assessments of the Southwest ("ASW"), tax assessor/collector for the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on August 20, 2020. After discussion, Director Murany made a motion to approve the minutes of the August 20, 2020, Board meeting, as presented. 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

Mr. Patterson presented the Tax Assessor/Collector's Report for August 2020, a copy of which is attached hereto as **Exhibit "A"**. He noted that 99.30% of the District's 2019 taxes and 99.79% of the District's 2018 taxes have been collected as of August 31, 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 Thomas and carried by unanimous vote.

PUBLIC HEARING ON DISTRICT'S 2020 TAX RATE

Ms. Sechrist next opened a public hearing on the District's 2020 proposed tax rate. No comments were received from the public and the hearing was closed.

ORDER LEVYING TAXES FOR 2020

The Board then considered adopting a 2020 debt service tax and maintenance tax. After discussion, Director Thomas moved that the Board adopt an order levying a debt service tax of \$0.615 per \$100 of assessed valuation and a maintenance tax of \$0.225 per \$100 of assessed valuation, for a total 2020 District tax rate of \$0.84 per \$100 of assessed valuation. The motion was seconded by Director Acosta and carried by unanimous vote.

AMENDED DISTRICT INFORMATION FORM

The Board next considered approving an Amended District Information Form reflecting the District's 2020 tax rate. After discussion, Director Murany moved that the Board approve the Amended District Information Form and authorize its filing in the Fort Bend County Real Property Records and with the Texas Commission on Environmental Quality (the "**TCEQ**"). Director Farley seconded the motion and it 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"**. She informed the Board that there are no changes from last month's report.

After discussion, a motion was made by Director Murany, seconded by Director Thomas and unanimously carried, to accept the Delinquent Tax Attorney's Report.

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 presented Ardurra's Task Order No. E-31 for valve rehabilitation project.

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 then presented Pay Application No.10 from Wharton-Smith, Inc. ("Wharton"), in the amount of \$352,249.97 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.

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 Acosta made a motion to: (i) accept the District's Engineer Report; (ii) approve Pay Application No. 10 submitted by Wharton in the amount of \$352,249.97 for the WWTP Improvements Project; and (iii) approve Task Order E-31, subject to review and comment by the District's attorney. Director Addicks 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 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 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 discussed submitting a resolution to the TCEQ requesting a change in use and release of approximately \$11,000 in surplus bond funds to pay the cost of upgrading the disc pumps at Wastewater Treatment Plant No. 2 (the "Surplus Funds Resolution"). After discussion, Director Murany made a motion to approve the Surplus Funds 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.

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 thirteen (13) tap line leaks were recently discovered and repaired.

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;
- (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 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 the debt service payments due October 1 have been made and 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 Thomas 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 the lobby of the District's Administration Building will remain closed due to the current COVID-19 virus pandemic. She also informed the Board that the office staff is working with a skeleton crew.

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) Risk Management items.

Ms. Ruvalcaba next discussed the Association of Water Board Directors ("AWBD") Conference to be held January 29 and 30, 2021, in Austin, Texas (the "AWBD Winter Conference"). After discussion, a motion was made by Director Murany to approve the attendance of all interested Directors at the AWBD Winter Conference. The motion was seconded by Director Thomas 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 informed the Board that vandals had set the fence at Detention Pond No. 2 on fire and the damaged boards have been replaced.

After discussion, a motion was made by Director Murany to accept the Landscaping, Grounds and Building Maintenance Report. The motion was seconded by Director Farley 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. Ruvalcaba stated that she had no information to report under this agenda item.

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

At 6:15 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

ACTION RESULTING FROM EXECUTIVE SESSION

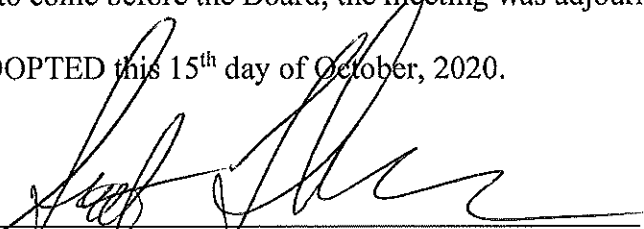
The Board reconvened in public session at 6:49 p.m. No action was taken.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 15th day of October, 2020.




Secretary, Board of Directors

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