

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

February 25, 2021

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 25th day of February, 2021, by Zoom video (Meeting ID: 821 3346 0365, Password: 307189) 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 and Hector Pena of Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson of Assessments of the Southwest ("ASW"), tax assessor/collector for the District; and Tanveer Moosa, resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on January 21, 2021. After discussion, Director Murany made a motion to approve the minutes of the January 21, 2021, Board meeting, as presented. Director Acosta seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Moosa next addressed the Board regarding a recent notice of Rate Order violations at 11910 South Highway 6. He stated the food trucks on his property have denied depositing grease into a perc sampling well. He also stated that he should not be held responsible for the actions of his tenants.

DEVELOPER'S REPORT

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

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for January 2021 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He noted that 79.10% of the District's 2020 taxes and 99.57% of the District's 2019 taxes have been collected as of January 31, 2021.

After discussion, Director Murany moved that the Board (i) accept the Tax Report, and (ii) 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. Sechrist 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 Acosta and unanimously carried, to accept the Delinquent Tax Attorney's Report.

DISTRICT ENGINEER'S REPORT

Mr. Pena next presented the District Engineer's Report prepared by Ardurra, a copy of which is attached hereto as **Exhibit "C"**. Mr. Canonico reported that the Texas Commission on Environmental Quality (the "TCEQ") has conditionally approved the District's alternative capacity request. He further informed the Board that based on the TCEQ's action, Ardurra will begin designing a hydropneumatic tank for Water Plant No. 3.

A. Permit Amendments and renewals

Mr. Pena stated that he had no information to report under this agenda item.

B. Capacity analysis

Mr. Pena stated that he had no information to report under this agenda item.

C. Bond application reports

Mr. Pena stated that he had no information to report under this agenda item.

D. Construction of non-capital projects

Mr. Pena stated that he had no information to report under this agenda item.

E. Coordination of projects with Project Management Engineer

Mr. Pena stated that he had no information to report under this agenda item.

F. Developer projects, new development and requests for service

Mr. Pena 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. Pena then presented for review and approval Work Order No. 5 for Texas Pride Utilities, LLC ("Texas Pride") to perform sanitary sewer rehab annual service in the Stratford Park subdivision in the amount of \$345,010.26.

Mr. Pena next presented for review and approval Ardurra's Task Order No. E-30 for the control room upgrades at Water Well No. 3. He stated that the amount to be paid to Ardurra under this Task Order is \$135,000.00.

Mr. Pena then presented for review and approval the following Work Orders relating to the performance of annual valve repair services by Texas Pride: (i) Work Order No. 1 for the Pheasant Creek subdivision in the amount of \$120,826.68, (ii) Work Order No. 2 for the Orchard Lake Estates subdivision in the amount of \$110,626.00, and (iii) Work Order No. 3 for the Old Orchard subdivision in the amount of \$95,426.00.

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

Mr. Pena then presented Pay Estimate No. 15 from Wharton-Smith, Inc. ("Wharton"), in the amount of \$268,561.42 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 Estimate. He then presented a deduct Change Order No. 11 for the WWTP Improvements Project in the amount of -\$2,113.15. He informed the Board that Ardurra recommends approval of this Change Order.

Mr. Pena next presented Pay Estimate No. 2 from Texas Pride for the Pheasant Creek subdivision sanitary sewer rehab annual service pursuant to Work Order No. 4 (the "Pheasant Creek Sewer Rehab Project") in the amount of \$503,600.70. He informed the Board that Ardurra recommends payment of this Pay Estimate.

I. Grant or accept site and/or easement conveyances for facilities constructed or to be constructed for or on behalf of the District

Mr. Pena stated that he had no information to report on this agenda item.

J. Grant or consent to easements over District property

Mr. Pena stated that he had no information to report on this agenda item.

K. Review status of the developments within the District

Mr. Pena stated that he had no information to report on this agenda item.

L. Review summary of pending projects, including the status thereof

Mr. Pena stated that he had no information to report on this agenda item.

M. Procedures planned for remediation and recovery

Mr. Pena stated that he had no information to report on this agenda item.

N. Evaluation planned to determine status of storm drainage systems

Mr. Pena stated that he had no information to report on this agenda item.

O. Reimbursement and payment options

Mr. Pena 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 Estimate No. 15 in the amount of \$268,561.42 and Change Order No. 11 in the amount of \$2,113.15 submitted by Wharton for the WWTP Improvements Project; (iii) approve Texas Pride's Pay Estimate No. 2 on Work Order No. 4 for the Pheasant Creek Sewer Rehab Project in the amount of \$503,600.70; (iv) approve Work Order No. 5 for the Stratford Park sanitary sewer rehab annual service to be performed by Texas Pride, subject to final review by the District's attorney and District staff and the District attorney's review and approval of the payment and performance bonds and insurance certificates submitted in connection therewith to determine if they meet the requirements for the Texas Insurance Code, the rules of the TCEQ, and the provisions of the Texas Water Code; (v) approve Ardurra's Task Order No. E-30 for the control room upgrades at Water Well No. 3, subject to final review by the District's attorney and District staff; and (vi) approve Work Order Nos. 1, 2, and 3 for the Pheasant Creek, Orchard Lake Estates, and Old Orchard annual valve repair services to be performed by Texas Pride, subject to final review by the District's attorney and District staff and the District attorney's review and approval of the payment and performance bonds and insurance certificates submitted in connection therewith to determine if they meet the requirements for the Texas Insurance Code, the rules of the TCEQ, and the provisions of the Texas Water Code. Director Thomas seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

- A. Consider 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.

After further discussion, Director Murany made a motion to accept the Attorney's Report. Director Farley 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 water accountability increased to 93% due to weather/rain issues. Director Acosta then commended the District's staff for its exceptional service and effort during last week's freezing weather event that prevented the issue of a boil water notice. Ms. Hayes informed the Board that staff was meeting to discuss last week's weather event and additional actions that may be taken during similar events in the future.

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.

Ms. Ruvalcaba next informed the Board that approximately twenty-five (25) District property owners will have water bills between \$150 and \$600 due to broken pipes from the recent freezing weather. After discussion, the Board concurred to offer residents with a water bill over \$150 due to broken pipes from the recent

freezing weather a one time adjustment to their water bill based on an average of the bill from the same time last year, upon request and proof of the pipe repair.

After further discussion, a motion was made by Director Murany to accept the Billing and Collections Report and suspend termination of water service for non payment and the imposition of late fees until May 1, as recently requested by the Fort Bend County Judge. The motion was seconded by Director Addicks 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 next debt service payment is due April 1 and that there are no outstanding accounts receivable.

Discussion then ensued regarding the Board member to serve as an Investment Officer. After discussion, Director Addicks agreed to serve as an Investment Officer. Ms. Sechrist stated that she would prepare a resolution designating the new investment officer for the Board's consideration at its March meeting.

After further 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 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 next reported that she is working on revising the District's flu and COVID-19 Policy to discuss vaccines and the PTO policy related thereto. After discussion, a motion was made by Director Murany to accept the Human Resources Report. The motion was seconded by Director Thomas 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;
- (v) Risk Management items;
- (vi) Approve the AWBD Water Smart Application Resolution.

Ms. Ruvalcaba next presented the Water Smart Application Resolution. She also reported that the District's Drought Contingency Plan has been reviewed and no changes are recommended. After discussion, a motion was made by Director Murany to authorize the filing of the Water Smart Application Resolution with the Association of Water Board Directors ("AWBD"). The motion was seconded by Director Acosta and carried by unanimous vote.

Ms. Ruvalcaba then reported the AWBD 2021 Summer Conference is scheduled to be held in San Antonio, Texas in June 2021. After discussion, a motion was made by Director Murany to approve the attendance of all interested Directors at the AWBD 2021 Summer Conference. The motion was seconded by Director Farley and carried by unanimous vote.

Ms. Ruvalcaba next reported that the Texas Water Development Board (the "TWDB") water use report has been submitted and the TWDB water conservation and water loss reports are due May 1. She also reported that all District employees have completed the required annual cyber security training.

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

- (i) General building items; and

Mr. Bridges next reported that the annex building on Old Richmond Road flooded when a pipe burst during the recent freezing weather event. He informed the Board that an insurance claim has been filed for this repair. He also reported that repairs

were made to HVAC system at the Old Richmond Road facilities prior to the recent freeze.

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

Mr. Bridges stated that he had no information to report on 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 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; and**
- (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 6:41 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

ACTION RESULTING FROM EXECUTIVE SESSION

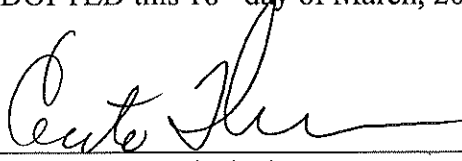
The Board reconvened in public session at 7:13 p.m. After discussion, the Board concurred to assess a \$10,000 fine against Tanveer Moosa for Rate Order violations and to charge Mr. Moosa \$7,400 for the cost to remove grease from the District's sanitary sewer system.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 18th day of March, 2021.





Secretary, Board of Directors

LIST OF ATTACHMENTS

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