

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

**April 15, 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 15<sup>th</sup> day of April, 2021, by Zoom video (Meeting ID: 880 3702 8167, Password: 307204) 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; Greg Lentz of Masterson Advisors LLC, financial advisors for the District ("Masterson"); and Dinesh Patel, resident of the District.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on March 18, 2021. After discussion, Director Murany made a motion to approve the minutes of the March 18, 2021, Board meeting, as presented. Director Farley seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

Mr. Patel next addressed the Board regarding the late payment of his 2020 District taxes. He stated that he mailed the payment prior to the deadline and requested that the Board waive the late fees, interest and penalty because he has never made a late payment prior to this last bill. After discussion, the Board concurred to deny Mr. Patel's request for waiver of the late payment penalty and interest as no evidence had been presented that an error by the District's tax assessor/collector or the Fort Bend County Appraisal District had caused or contributed to the late payment.

**DEVELOPER'S REPORT**

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

## **TAX ASSESSOR/COLLECTOR'S REPORT**

Mr. Patterson then presented the Tax Assessor/Collector's Report for March 2021 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He noted that 96.80% of the District's 2020 taxes and 99.62% of the District's 2019 taxes have been collected as of March 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 Acosta and carried by unanimous vote.

## **DELINQUENT TAX ATTORNEY'S REPORT**

Mr. Patterson next 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.

## **FINANCIAL ADVISOR'S REPORT**

### **REVIEW AND CONSIDER APPROVAL OF THE OFFICIAL NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE DISTRICT'S SERIES 2021 UNLIMITED TAX BONDS AND AUTHORIZE DISTRIBUTION OF SAME**

Mr. Lentz then presented and reviewed with the Board the Official Notice of Sale and Preliminary Official Statement for the District's \$6,035,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds"). After discussion, Director Murany moved that the Board approve the Official Notice of Sale and Preliminary Official Statement for the Series 2021 Bonds, subject to the inclusion of all comments from the Board and District consultants, and authorize the distribution of same. Director Acosta seconded the motion, which passed unanimously.

### **DESIGNATE A DATE, TIME, AND PLACE FOR THE SALE OF THE DISTRICT'S SERIES 2021 UNLIMITED TAX BONDS AND AUTHORIZE THE DISTRICT'S FINANCIAL ADVISOR TO ADVERTISE THE SALE OF THE DISTRICT'S SERIES 2021 UNLIMITED TAX BONDS**

The Board next discussed setting a date for the sale of the Series 2021 Bonds. After discussion, Director Murany moved that the Board sell the Series 2021 Bonds on Thursday, May 20, 2021, at 5:30 p.m. 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 2021 UNLIMITED TAX BONDS**

The Board then considered designating a paying agent/registrar for the Series 2021 Bonds. Mr. Lentz informed the Board that Zions Bancorporation, National Association dba Amegy Bank ("Amegy Bank"), currently serves as the paying agent/registrar for several of the District's bond issues. After discussion, Director Murany moved that the Board designate Amegy Bank as the Paying

Agent/Registrar for the Series 2021 Bonds. Director Addicks seconded the motion, which carried unanimously.

**DISTRICT ENGINEER’S REPORT**

Mr. Canonico next presented the District Engineer’s Report prepared by Ardurra, a copy of which is attached hereto as **Exhibit “C”**. He first reported that the volume of flows from Fort Bend County Fresh Water Supply District No. 2 into wastewater treatment plant no. 2 have stabilized.

**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 for the Board’s review and approval Pay Application No. 4 submitted by Texas Pride Utilities, LLC (“Texas Pride”) in the amount of \$154,219.20 for sanitary sewer rehabilitation services performed in the Pheasant Creek subdivision pursuant to Work Order No. 4 (the “Pheasant Creek Sewer Rehab Project”). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Canonico next presented Pay Estimate No. 1 from Texas Pride in the amount of \$139,936.90 for sanitary sewer rehabilitation services performed in the Stratford Park subdivision pursuant to Work Order No. 5 (the "Stratford Park Sewer Rehab Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Canonico then presented Pay Estimate No. 1 from Faraday Engineering, LLC ("Faraday") in the amount of \$166,032.00 for lift station control panel replacement project (the "Lift Station Control Panel Project"). He informed the Board that Ardurra recommends payment of this Pay Application. He also presented Change Order No. 1 for the Lift Station Control Panel Project in the amount of \$23,100.00 to provide and install a power supply and charger. He informed the Board that Ardurra recommends approval of this Change Order.

Mr. Canonico next presented Pay Estimate No. 1 from Texas Pride in the amount of \$79,145.15 for valve repair services performed in the Orchard Lake Estates subdivision pursuant to Work Order No. 2 (the "Orchard Lake Estates Valve Repair Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Canonico then presented Change Order No. 12 from Wharton-Smith, Inc. ("Wharton") for the wastewater treatment plant nos. 1 and 2 improvement project (the "WWTP Improvements Project") in the amount of \$18,333.25 (\$9,136.68 for wastewater treatment plant no. 1 and \$9,196.57 for wastewater treatment plant no. 2) to replace the pipes damaged in the recent freeze. 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 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 Texas Pride's Pay Estimate No. 4 for the Pheasant Creek Sewer Rehab Project in the amount of \$154,219.20; (iii) approve Texas Pride's Pay Estimate No. 1 for the Stratford Park Sewer Rehab Project in the amount of \$139,936.90; (iv) approve Faraday's Pay Estimate No. 1 for the Lift Station Control Panel Project in the amount of \$166,032.00; (v) approve Change Order No. 1 submitted by Faraday for the Lift Station Project in the amount of \$23,100.00; (vi) approve Texas Pride's Pay Estimate No. 1 for the Orchard Lake Estates Valve Repair Project in the amount of \$79,145.15; and (vii) approve Change Order No. 12 submitted by Wharton for the WWTP Improvements Project in the amount of \$18,333.25. 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 a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects**

Ms. Sechrist then presented a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate Resolution") and reviewed with the Board a survey (the "Survey") which reflected the prevailing wage rates for the City of Houston, Fort Bend County, and the United States Department of Labor (the "DOL"). She informed the Board that Fort Bend County has adopted the wage rate scale set by the DOL and that the Wage Rate Scale for the District was determined by taking an average of the DOL and the City of Houston wage rates. After discussion, a motion was made by Director Murany to adopt the Wage Rate Resolution. Director Thomas seconded the motion, which carried unanimously.

**G. 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 water accountability increased to 97%.

After discussion, a motion was made by Director Murany to accept the Field Operations Report. Director Addicks 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. She stated that 205 accounts currently were past due. After discussion, a motion was made by Director Murany to terminate water service beginning May 1 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 Thomas 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 Thomas 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"**.

Mr. Reddick then discussed the quarterly budget adjustments, a copy of which is attached hereto as part of **Exhibit "F"**. He informed the Board that expense line items for sludge and waste disposal increased. Discussion then ensued regarding the renewal of certificates of deposit and interest rates.

After further discussion, a motion was made by Director Murany to (i) accept the Bookkeeper's Report, (ii) approve the quarterly budget adjustments, and (iii) 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) **Review and approve second quarter result of Group Goals for fiscal year 2020-2021; and**

Ms. Ruvalcaba next presented the second quarter Group Goal results for fiscal year 2020-2021, a copy of which is attached hereto as **Exhibit "G"**. She reported that all categories are on track to meet established goals. After discussion, a motion was made by Director Murany to accept the second quarter Group Goal results. The motion was seconded by Director Farley and carried by unanimous vote.

(ii) **Any other matters deemed appropriate and related to overall Administrative items, Human Resources, etc.**

Ms. Ruvalcaba next discussed the vaccination rate for District employees. She then informed the Board that the District's newsletter has been distributed to residents and posted on the District's website.

After discussion, a motion was made by Director Murany to accept the Human Resources Report. The motion was seconded by Director Addicks 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) **Authorize the preparation and distribution of a draft Consumer Confidence Report; and**

(vi) **Risk Management items.**

Ms. Ruvalcaba next informed the Board that the annual Consumer Confidence Report ("CCR") will be prepared after receipt of the template from the TCEQ. After discussion, a motion was made by Director Murany to authorize the completion of the



CCR upon receipt of the template from the TCEQ and the distribution of same to the District's customers. The motion was seconded by Director Acosta 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 on this agenda item.

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

Mr. Bridges reported that Superior Lawn recently inspected the sprinkler equipment. He informed the Board that a report of the inspection is being prepared.

Mr. Bridges then updated the Board on current construction projects in the District, a copy of which is attached hereto as part of **Exhibit "D"**.

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; and**

**(iv) Future/Strategic Planning Issues (overall).**

Ms. Hayes reported that District staff is working on modifications to the Employee Manual which include (i) reimbursement of costs to obtain an operator license language similar to the policy regarding reimbursement of expenses to obtain a college degree, (ii) a COVID-19 policy similar to the existing influenza policy, and (iii) a work from home policy. She also reported that District staff is looking at the current water and sewer rates in light of the fact that operating expenses have increased an average 5.8% since the last rate adjustment in 2016.

After discussion, Director Murany made a motion to accept the Executive Management Report. Director Acosta seconded the motion which carried with a unanimous vote.

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

At 6:48 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

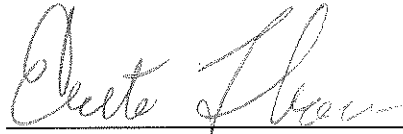
**ACTION RESULTING FROM EXECUTIVE SESSION**

The Board reconvened in public session at 7:09 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 20<sup>th</sup> day of May, 2021.



Secretary, Board of Directors



**LIST OF ATTACHMENTS**

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