

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

May 20, 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 20th day of May, 2021, by Zoom video (Meeting ID: 889 8480 7610, Password: 243307) 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, except Director Thomas, 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; 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 and Chase Wolf of Masterson Advisors LLC, financial advisors for the District (“Masterson”); and Brian Allen, resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on April 15, 2021. After discussion, Director Murany made a motion to approve the minutes of the April 15, 2021, Board meeting, as presented. Director Acosta seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Allen next addressed the Board regarding the District’s valve repair replacement project in the Orchard Lake Estates subdivision. He expressed his displeasure with the length of time he was without water and the lack of communication about the project. Mr. Canonico stated that the project in Orchard Lake Estates took longer than anticipated because of construction issues discovered during excavation.

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 April 2021 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He noted that 97.58% of the District's 2020 taxes and 99.67% of the District's 2019 taxes have been collected as of April 30, 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

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.

SERIES 2021 UNLIMITED TAX BONDS

A. Receive and act upon bids for the purchase of the District's Series 2021 Bonds

Mr. Wolf announced that the District received six (6) bids for the purchase of the Series 2021 Bonds. He informed the Board that the bid submitted by Robert W. Baird & Co., Inc. ("Baird") of 2.029011% resulted in the lowest net effective interest rate to the District. He then reported that Assured Guaranty Municipal Corp. ("AGM") has agreed to issue a financial guaranty insurance policy for the Series 2021 Bonds and that Moody's Investors Service has assigned an underlying credit rating of A2 to the District. After discussion, Director Murany moved that the Board award the sale of the Series 2021 Bonds to Baird at a net effective interest rate of 2.029011%. The motion was seconded by Director Addicks and unanimously approved.

B. Consider and act upon the adoption of resolution authorizing the issuance, sale and delivery of the District's Series 2021 Bonds

Ms. Sechrist next presented a resolution authorizing the issuance, sale and delivery of the Series 2021 Bonds (the "Bond Resolution"). After discussion, Director Acosta moved that the Board adopt the Bond Resolution, which was seconded by Director Farley and carried unanimously.

C. Approve and authorize distribution of a Final Official Statement in connection with the District's Series 2021 Bonds

The Board next discussed approving and authorizing the distribution of a Final Official Statement relating to the sale of the Series 2021 Bonds. After discussion, Director Murany made a motion to approve and authorize the distribution of the Final Official Statement relating to the Series 2021 Bonds. The motion was seconded by Director Farley and carried unanimously.

D. Consider a proposal from Orrick, Herrington & Sutcliffe LLP for special Tax Counsel services in connection with the District's Series 2021 Bonds

Ms. Sechrist next presented for the Board's approval a proposal from Orrick, Herrington & Sutcliffe, LLP ("Orrick"), for Special Tax Counsel services related to the Series 2021 Bonds. She explained that Orrick will prepare the Federal Tax Certificate and Internal Revenue Service Form 8038G and perform other necessary tax work and analysis required in connection with the Series 2021 Bonds. After discussion, Director Murany moved that the Board approve the proposal for Special Tax Counsel services from Orrick. Director Farley seconded the motion, which carried unanimously.

E. Consider and act upon any other matters concerning the District's Series 2021 Bonds

Ms. Sechrist next discussed the various closing documents that will need to be executed in connection with the issuance and delivery of the Series 2021 Bonds and the other action required in connection therewith. After discussion, Director Murany moved that the Board authorize the Directors, the District's attorney, the District's financial advisor, and the District's employees to prepare and/or execute various closing documents in connection with the issuance of the Series 2021 Bonds and to take any other action required in connection therewith. Director Acosta seconded the motion, which carried unanimously.

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. Pena presented for the Board's review and approval Ardurra's Task Order No. E-36 for engineering services related to the chlorine room rehabilitation at Water Well No. 1. He stated that the amount to be paid to Ardurra under this Task Order is \$42,130.00.

Mr. Pena then presented for the Board's review and approval Ardurra's Task Order No. E-37 relating to engineering services for the rehabilitation of the existing digesters at Wastewater Treatment Plant No. 1 at a cost not to exceed \$85,000.00.

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 the following Work Orders relating to annual valve repair services to be provided by Texas Pride Utilities, LLC ("Texas Pride"): (i) Work Order No. 4 for the Summerfield subdivision in the amount of \$53,683.60; (ii) Work Order No. 5 for the Park Pointe subdivision in the amount of \$38,192.40; (iii) Work Order No. 6 for the Stratford Park subdivision in the amount of \$61,594.00; (iv) Work Order No. 7 for the Oak Lake Court subdivision in the amount of \$29,725.80; (v) Work Order No. 8 for the Chelsea Harbour subdivision in the amount of \$68,144.80; and (vi) Work Order No. 9 for the Windsor Estates subdivision in the amount of \$44,475.40.

Mr. Pena next reported that the District received eight (8) bids for the sanitary sewer cleaning and CCTV inspection project for the Orchard Lakes Estates, Old Orchard, Chelsea Harbour, and Oak Lake Court subdivisions (the "Phase II Sanitary Sewer CCTV Project"). A copy of the bid tabulation for the Phase II Sanitary Sewer CCTV Project is attached hereto as part of Exhibit "C". He stated that Ardurra recommends that the Phase II Sanitary Sewer CCTV Project be awarded to National Works, Inc. ("National"), in the amount of \$159,960.

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 for the Board's review and approval Pay Application No. 16 submitted by Wharton-Smith, Inc. ("Wharton"), in the amount of \$7,096.66 and Pay Application No. 17 in the amount of \$147,379.99 for the wastewater treatment plant nos. 1 and 2 improvement project (the "WWTP Improvements Project"). He informed the Board that Ardurra recommends payment of these Pay Estimates.

Mr. Pena then presented Pay Estimate No. 2 from Texas Pride in the amount of \$152,598.50 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. Pena next presented Pay Estimate No. 2 from Faraday Engineering, LLC (“Faraday”) in the amount of \$15,750.00 for the lift station control panel replacement project (the “Lift Station Control Panel Project”). He informed the Board that Ardurra recommends payment of this Pay Application.

Mr. Pena then presented Pay Estimate No. 1 from Texas Pride in the amount of \$34,998.00 for valve repair services performed in the Pheasant Creek subdivision pursuant to Work Order No. 1 (the “Pheasant Creek Valve Repair Project”). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Pena next presented Pay Estimate No. 2 from Texas Pride in the amount of \$25,486.60 for valve repair services performed in the Orchard Lakes 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. Pena then presented Pay Estimate No. 1 from Texas Pride in the amount of \$35,378.00 for valve repair services performed in the Old Orchard subdivision pursuant to Work Order No. 3 (the “Old Orchard Valve Repair Project”). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Pena next presented Change Order No. 1 from Texas Pride for the Pheasant Creek Valve Repair Project in the deductive amount of \$83,986.68 to adjust the projected project quantities to the actual work completed. He informed the Board that Ardurra recommends approval of this Change Order.

Mr. Pena then presented Change Order No. 1 from Texas Pride for the Orchard Lake Estates Valve Repair Project in the deductive amount of \$487.32 to adjust the projected project quantities to the actual work completed. He informed the Board that Ardurra recommends approval of this Change Order.

Mr. Pena next presented Change Order No. 1 from Texas Pride for the Old Orchard Valve Repair Project in the deductive amount of \$58,186.00 to adjust the projected project quantities to the actual work completed. 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. 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. Canonico reported that the plans for the outfall drainage work have been submitted to the Fort Bend County Drainage District for review and approval.

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 Engineer's Report;
- (ii) approve Pay Application No. 16 in the amount of \$7,096.66 submitted by Wharton for the WWTP Improvements Project, subject to the District staff's authorization to release said funds;
- (ii) approve Pay Application No. 17 in the amount of \$147,379.99 submitted by Wharton for the WWTP Improvements Project, subject to the District staff's authorization to release said funds;
- (iv) approve Texas Pride's Pay Estimate No. 2 for the Stratford Park Sewer Rehab Project in the amount of \$152,598.50;
- (v) approve Pay Estimate No. 2 submitted by Faraday for the Lift Station Control Project in the amount of \$15,750.00;
- (vi) approve Texas Pride's Pay Estimate No. 1 for the Pheasant Creek Valve Repair Project in the amount of \$34,998.00;
- (vii) approve Texas Pride's Pay Estimate No. 2 for the Orchard Lake Estates Valve Repair Project in the amount of \$25,486.60;
- (viii) approve Texas Pride's Pay Estimate No. 3 for the Old Orchard Valve Repair Project in the amount of \$35,378.00;
- (ix) approve Change Order No. 1 submitted by Texas Pride for the Pheasant Creek Valve Repair Project in the deductive amount of \$83,986.68;
- (x) approve Change Order No. 1 submitted by Texas Pride for the Orchard Lake Estate Valve Repair Project in the deductive amount of \$487.32;
- (xi) approve Change Order No. 1 submitted by Texas Pride for the Old Orchard Valve Repair Project in the deductive amount of \$58,186.00;
- (xii) approve Work Order Nos. 4, 5, 6, 7, 8, and 9 for the Summerfield, Park Pointe, Stratford Park, Oak Lake Court, Chelsea Harbour, and Windsor Estates 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; and

- (xiii) award the contract for the Sanitary Sewer CCTV Project to National in the amount of \$159,960, 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 certificate 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 Acosta 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 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 decreased to 96%.

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 Murany 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 Addicks 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 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 online interim audit had been completed and that there are no outstanding accounts receivable.

Discussion then ensued regarding the renewal of certificates of deposit and interest rates.

Mr. Reddick next presented a water rate analysis, a copy of which is attached hereto as **Exhibit "G"**. After discussion, Director Murany made a motion to amend the District's Rate Order to reflect a 10% increase in the water and service rates. Director Acosta seconded the motion and it carried by unanimous vote.

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 Farley 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 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;
- (v) Authorize the preparation and distribution of a draft Consumer Confidence Report; and
- (vi) Risk Management items.

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

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

- (i) General building items; and

Mr. Bridges reported that the garage door at the shop building was recently replaced.

- (ii) General landscape and grounds items.

Mr. Bridges reported that Superior Lawn completed the annual inspection of the median sprinkler equipment.

Mr. Bridges then informed the Board that the wastewater treatment plant no. 2 fence has been replaced. He also reported that the damage to the detention pond no. 1 fence has been repaired and an insurance claim has been filed for this repair. He also reported that cameras have been installed at detention pond no. 1.

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. Hayes discussed the no mask mandate for government entities recently issued by Governor Abbott.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 17th day of June, 2021.



A handwritten signature in black ink, appearing to read "Cate H...", written over a horizontal line.

Secretary, Board of Directors

(DISTRICT SEAL)

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