

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

July 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 15th day of July, 2021, at a regular meeting place thereof, 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; Tyler Bridges, Construction and Maintenance Manager; David Nguyen, Information Technology ("IT") Department Manager for the District; 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; Brad Moon, a resident of the District; and Deputy Misael Davila of the Fort Bend County Sheriff's Office.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on June 17, 2021. After discussion, Director Murany made a motion to approve the minutes of the June 17, 2021, Board meeting, as presented. Director Farley seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Moon inquired as to the District's procedure for posting the minutes of Board meetings on the District's website. Ms. Sechrist informed him that there is a one (1) month lag time due to the fact that minutes from a meeting are not approved and signed until the next monthly meeting.

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 June 2021 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He noted that 98.42% of the District's 2020 taxes and 99.73% of the District's 2019 taxes have been collected as of June 30, 2021.

Mr. Patterson next presented a request from Marlin Leasing for waiver of the late fees, interest and penalty assessed for its failure to timely pay its 2020 District property taxes. A copy of the waiver request is attached hereto as part of **Exhibit "A"**. After discussion, the Board concurred to deny Marlin Leasing's waiver request 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.

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

Ms. Ruvalcaba next presented the Delinquent Tax Report prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**. She then informed the Board that Larry Currey with the District's delinquent attorney's office had recently driven the District to look at business and personal property accounts and would provide an update at the next Board meeting. 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"**. He first discussed Ardurra's Task Order No. E-38 for engineering services relating to the replacement of the existing water lines in the Pheasant Creek subdivision. He stated that the amount to be paid to Ardurra under this Task Order is not to exceed \$602,958.00.

Mr. Pena next presented for the Board's review and approval Ardurra's Task Order No. E-39 for engineering services relating to the replacement of the existing small generator at Wastewater Treatment Plant No. 1 and the generator at Lift Station No. 1 at a cost not to exceed \$64,360.00.

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

Regarding the Red Gully Stormwater Outfall Repair Project (the "Red Gully Outfall Project"), Mr. Pena informed the Board that Ardurra received five (5) bids ranging from \$241,150 to \$980,850, of which \$319,500 will be funded by FEMA. He stated that Ardurra is in the process of vetting the bidders. After discussion, the Board concurred to establish a bid committee consisting of Directors Farley and Addicks to select a contractor for the Red Gully Outfall Project. Mr. Pena informed the Board that after the contractor was selected, Ardurra will submit the selected bid to FEMA for approval.

Mr. Pena then informed the Board that Ardurra recommends a one (1) year extension to Texas Pride Utilities, LLC ("Texas Pride") contract with the District regarding the on-call sanitary sewer rehabilitation project (the "Sewer Rehab Project").

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

Mr. Pena next presented Pay Estimate No. 1 from Texas Pride in the amount of \$14,269.00 for valve repair services performed in the Summerfield subdivision pursuant to Work Order No. 4 (the "Summerfield 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 \$10,526.00 for valve repair services performed in the Park Pointe subdivision pursuant to Work Order No. 5 (the "Park Pointe Valve Repair Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Pena next presented Pay Estimate No. 1 from Texas Pride in the amount of \$11,400.00 for valve repair services performed in the Stratford Park subdivision pursuant to Work Order No. 6 (the "Stratford Park 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 \$10,716.00 for valve repair services performed in the Oak Lake Court subdivision pursuant to Work Order No. 7 (the "Oak Lake Court Valve Repair Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Pena next presented Pay Estimate No. 1 from Texas Pride in the amount of \$40,432.00 for valve repair services performed in the Chelsea Harbour subdivision

pursuant to Work Order No. 8 (the "Chelsea Harbour Valve Repair Project"). 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 Engineer's Report;
- (ii) approve Ardurra's Task Order No. E-38 for engineering services related to the replacement of the existing water lines at Pheasant Creek, subject to final review by the District's attorney and District staff;
- (iii) approve Ardurra's Task Order No. E-39 for engineering services related to replacement of the existing small generator at Wastewater Treatment Plant No. 1 and the generator at Lift Station No. 1, subject to final review by the District's attorney and District staff;
- (iv) approve a one (1) year extension to Texas Pride's contract for the Sewer Rehab Project;
- (v) approve Pay Application No. 1 in the amount of \$14,269.00 submitted by Texas Pride for the Summerfield Valve Repair Project;
- (vi) approve Pay Application No. 1 in the amount of \$10,526.00 submitted by Texas Pride for the Park Pointe Valve Repair Project;

- (vii) approve Pay Application No. 1 in the amount of \$11,40.00 submitted by Texas Pride for the Stratford Park Valve Repair Project;
- (viii) approve Pay Application No. 1 in the amount of \$10,716.00 submitted by Texas Pride for the Oak Lake Court Valve Repair Project; and
- (ix) approve Pay Application No. 1 in the amount of \$40,342.00 submitted by Texas Pride for the Chelsea Harbour Repair Project.

Director Farley 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. Bridges then presented the monthly Field Operations Report, a copy of which is attached hereto as part of Exhibit "D". He reported that water accountability for the month of June was 91%. He next informed the Board that the hydrant repairs are 95% complete.

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 Thomas 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 Acosta seconded the motion, which carried unanimously.

After further discussion, a motion was made by Director Thomas to accept the Billing and Collections Report. The motion was seconded by Director Acosta 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.**

Mr. Nguyen then reported that the District's network is now 100% operational. He further informed the Board that the data center moving to a new location and equipment is being updated will allow for greater remote access in the case of a disaster event. He stated that the data recovery and equipment recently was purchased for \$176,664.59 from the \$200,000 allocated in the Series 2021 Bonds.

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 next 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.

Mr. Reddick then informed the Board that on August 19, 2021, a certificate of deposit ("CD") in the amount of 300,000.00 (at an interest rate of 2.10%) will mature. He informed the Board that the proceeds from the CD will roll over into the money market account for the District's General Operating account. He also reported that District staff are working on the budget for the 2021-2022 fiscal year for presentation to the Board at the August Board meeting.

After discussion, a motion was made by Director Thomas to (i) accept the Bookkeeper's Report, 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 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) 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) Review and approve Third quarter result of Group Goals for fiscal year 2020-2021; and
- (vi) Risk Management items.

Ms. Ruvalcaba next presented the third 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, Director Acosta made a motion to accept the third quarter Group Goal results. The motion was seconded by Director Addicks and carried by unanimous vote.

Ms. Ruvalcaba then presented for the Board's approval four (4) SOPs set out on **Exhibit "H"** attached hereto.

After discussion, Directory Murany made a motion to (i) accept the Risk Management Report, and (ii) approve the four (4) SOPs presented. Director Thomas seconded the motion and it carried unanimously.

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

- (i) General building items; and
- (ii) General landscape and grounds items.

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

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 on this agenda item.,

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

At 6:20 p.m., the Board convened in Executive Session pursuant to the Texas Government Code.

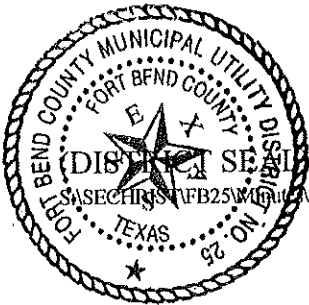
ACTION RESULTING FROM EXECUTIVE SESSION


The Board reconvened in public session at 6:45 p.m. After discussion, Director Murany made a motion to terminate the contract between Wharton-Smith, Inc. and the District for the improvements to Wastewater Treatment Plant Nos. 1 and 2. The motion was seconded by Director Acosta and it carried unanimously.

ADJOURNMENT

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

PASSED, APPROVED, and ADOPTED this 19th day of August, 2021.




Secretary, Board of Directors

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