

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

August 19, 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 19th day of August, 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, with Director Thomas attending by Zoom, 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 (by Zoom), 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 (by Zoom) 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 (by Zoom); Chase Wolf (by Zoom) of Masterson Advisors LLC, financial advisors for the District ("Masterson"); David Nguyen, Information Technology ("IT") Department Manager for 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 July 15, 2021. After discussion, Director Acosta made a motion to approve the minutes of the July 15, 2021, Board meeting, as presented. Director Farley seconded the motion and it carried unanimously.

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 July 2021 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He noted that 98.99% of the District's 2020 taxes and 99.76% of the District's 2019 taxes have been collected as of July 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 Thomas and carried by unanimous vote.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING ESTABLISHMENT OF THE DISTRICT'S 2021 TAX RATE

Mr. Wolf next presented the 2021 tax rate recommendation prepared by Masterson, a copy of which is attached hereto as **Exhibit "B"**. He informed the Board that Masterson recommends a debt service tax of \$0.63 per \$100 assessed valuation and a maintenance tax of \$0.24 per \$100 assessed valuation, for a total proposed 2021 District tax rate of \$0.87 per \$100 of assessed valuation.

PROPOSED 2021 TAX RATE

The Board then considered adopting proposed 2021 debt service and maintenance tax rates. After discussion, Director Murany moved that the Board adopt a proposed 2021 debt service tax rate of \$0.63 per \$100 of assessed valuation and a proposed 2021 maintenance tax rate of \$0.24 per \$100 of assessed valuation, for a total proposed 2021 tax rate of \$0.87 per \$100 of assessed valuation (the "Proposed 2021 Tax Rates"). The motion was seconded by Director Addicks and carried by unanimous vote.

Ms. Sechrist advised the Board that the language in the Notice of Public Hearing on Tax Rate (the "Notice") values depending on whether the District is a low tax rate district, a developed district, or a developed district in a designated disaster area (as these terms are defined in Sections 49.23601 and 49.23602 of the Texas Water Code) or is a developing district, which is a district not described in Texas Water Code Sections 49.23601 or 49.23602. After discussion, the Board concurred that the District is a developing district for purposes of the Notice.

The Board next discussed calling any public hearings and authorizing any publications or mailings required in connection with the levy of the Proposed 2021 Tax Rates. After discussion, a motion was made by Director Murany that a public hearing be held on the District's adoption of the Proposed 2021 Tax Rates on Thursday, September 16, 2021, at 5:30 p.m., and (ii) authorize ASW to publish notice of the Proposed 2021 Tax Rates in the *Fort Bend Herald*, as required by law, that includes the language required by Section 49.23603 of the Texas Water Code. The motion was seconded by Director Addicks and carried by unanimous vote.

PUBLIC COMMENTS

Mr. Moon then inquired as to when the televising and cleaning of the sanitary sewer lines in the Orchard Lake Estates subnivism will be complete. Mr. Bridges informed him that the project is scheduled to be completed by August 20 or August 23. Mr. Moon next inquired as to whether the District had any responsibility for the utility boxes on F.M. 1464. Ms. Hayes responded that the electric and/or telephone companies are responsible for that equipment.

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 "C"**. She informed the Board that the report from the delinquent tax attorney's recent survey of delinquent commercial accounts is attached hereto as part of **Exhibit "C"**.

Ms. Ruvalcaba next presented a two-year renewal contract with Larson & Weisinger for delinquent tax collection services, with a thirty-day termination clause (the "**Renewal Contract**").

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

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 "D"**. He first discussed Ardurra's Task Order No. E-37A relating to additional work at Wastewater Treatment Plant No. 2. He stated that the amount to be paid to Ardurra under this Task Order is not to exceed \$127,820.00.

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

Regarding the Red Gully stormwater outfall repair project (the "Red Gully Outfall Project"), Mr. Canonico informed the Board that Ardurra received five (5) bids. He stated that Ardurra recommends that the contract for the Red Gully Outfall Project be awarded to the lowest bidder, A.R. Turnkee ("Turnkee"), in the amount of \$580,000. He next informed the Board that Turnkee's bid is over FEMA's budget for its portion of the Red Gully Outfall Project and that Ardurra has submitted the selected bid to FEMA together with a request for the allocation of additional FEMA funds.

Mr. Canonico next presented Work Order No. 6 for Texas Pride in the amount of \$36,695 to conduct smoke testing in the Pheasant Creek subdivision and Work Order No. 7 for Texas Pride in the amount of \$16,400 to conduct smoke testing in the Park Pointe subdivision.

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

Mr. Canonico next presented Pay Estimate No. 5 from Texas Pride Utilities, LLC ("Texas Pride") in the amount of \$53,239.58 for the 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 then presented Pay Estimate No. 3 from Texas Pride in the amount of \$15,453.32 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 next presented Pay Estimate No. 3 from Faraday Engineering, LLC ("Faraday") in the amount of \$53,023.50 for lift station control panel replacement services (the "Lift Station Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Canonico then presented Pay Estimate No. 2 from Texas Pride in the amount of \$1,842.00 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. Canonico next presented Pay Estimate No. 3 from Texas Pride in the amount of \$5,506.93 for valve repair services performed in the Orchard Lake Estates subdivision pursuant to Work Order No. 2 (the "Orchard Lake Valve Repair Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Canonico then presented Pay Estimate No. 2 from Texas Pride in the amount of \$1,862.00 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. Canonico next presented Pay Estimate No. 2 from Texas Pride in the amount of \$751.00 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. Canonico then presented Pay Estimate No. 2 from Texas Pride in the amount of \$554.00 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. Canonico next presented Pay Estimate No. 2 from Texas Pride in the amount of \$600.00 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. Canonico then presented Pay Estimate No. 2 from Texas Pride in the amount of \$564.00 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. Canonico next presented Pay Estimate No. 2 from Texas Pride in the amount of \$2,128.00 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.

Mr. Canonico next presented Pay Estimate No. 1 from National Works, Inc. ("National Works") in the amount of \$23,001.19 for sanitary sewer cleaning and CCTV inspection services in the Orchard Lake Estates, Old Orchard, Chelsea

Harbour and Oak Lake Court subdivisions (the “Sanitary Sewer CCTV 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. 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 Addicks made a motion to:

- (i) accept the District Engineer’s Report;
- (ii) approve Task Order No. E-37A for additional work items related to the Waste Water Treatment Plant No. 2, subject to final review by the District’s attorney and District staff;
- (iii) award the contract for the Red Gully Outfall Project to Turnkey in the amount of \$580,000, subject to review by the District’s attorney of the payment and performance bonds and insurance certificates submitted in connection therewith to determine if they meet the requirements of the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality, and the provisions of the Texas Water Code;
- (iv) approve Pay Application No. 5 in the amount of \$53,239.58 submitted by Texas Pride for the Pheasant Creek Sewer Rehab Project;

- (v) approve Pay Application No. 3 in the amount of \$15,453.32 submitted by Texas Pride for the Stratford Park Sewer Rehab Project;
- (vi) approve Pay Application No. 3 in the amount of \$53,023.50 submitted by Faraday for the Lift Station Project;
- (viii) approve Pay Application No. 2 in the amount of \$1,842.00 submitted by Texas Pride for the Pheasant Creek Valve Repair Project;
- (viii) approve Pay Application No. 3 in the amount of \$5,506.93 submitted by Texas Pride for the Orchard Lake Valve Repair Project;
- (ix) approve Pay Application No. 2 in the amount of \$1,862.00 submitted by Texas Pride for the Old Orchard Valve Repair Project;
- (x) approve Pay Application No. 2 in the amount of \$751.00 submitted by Texas Pride for the Summerfield Valve Repair Project;
- (xi) approve Pay Application No. 2 in the amount of \$554.00 submitted by Texas Pride for the Park Pointe Valve Repair Project;
- (xii) approve Pay Application No. 2 in the amount of \$600.00 submitted by Texas Pride for the Stratford Park Valve Repair Project;
- (xiii) approve Pay Application No. 2 in the amount of \$564.00 submitted by Texas Pride for the Oak Lake Court Valve Repair Project;
- (xiv) approve Pay Application No. 2 in the amount of \$2,128.00 submitted by Texas Pride for the Chelsea Harbour Valve Repair Project;
- (xv) approve Pay Application No. 1 in the amount of \$23,001.19 submitted by National Works for the Sanitary Sewer CCTV Project;
- (xvi) approve Work Order No. 6 in the amount of \$36,695.00 for Texas Pride to conduct smoke testing in the Pheasant Creek subdivision; and
- (xvii) approve Work Order No. 7 in the amount of \$16,400.00 for Texas Pride to conduct smoke testing in the Park Pointe subdivision.

Director Thomas seconded the motion, which passed unanimously.

ATTORNEY’S REPORT

Ms. Sechrist first presented a resolution in support of the application by Sage Dulles, Ltd. for a municipal setting designation for 500 Industrial Boulevard, Sugar Land, Texas (the “Resolution”). After discussion, Director Murany made a motion to approve the Resolution. The motion was seconded by Director Farley and carried unanimously.

- 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. Bridges then presented the monthly Field Operations Report, a copy of which is attached hereto as part of Exhibit "E". He reported that water accountability for the month of July was 94%.

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 "F"** (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 Addicks 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 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.**

Mr. Nguyen stated that he 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 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 "G"**. He informed the Board that there are no outstanding accounts receivable.

Mr. Reddick next presented a proposed budget for fiscal year 2021-2022 (the "**Budget**"), a copy of which is attached hereto as **Exhibit "H"**. After discussion, a

motion was made by Director Murany to adopt the Budget as presented. The motion was seconded by Director Acosta and carried by unanimous vote.

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 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 next presented the Group Goals for fiscal year 2021-2022, a copy of which is attached hereto as **Exhibit "I"**. She reported that the goals are the same as last year. After discussion, Director Murany made a motion to accept the fiscal year 2021-2022 Group Goals. The motion was seconded by Director Thomas and carried by unanimous vote.

- (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; and**
(v) **Risk Management items.**

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

Mr. Bridges reported that dead oleanders in the buffer zone behind the water well no. 4 easement were removed and fifteen (15) crepe myrtles were planted. He then

informed the Board that the fences at lift station nos. 7 and 8 are being replaced and the project should be completed in two (2) weeks.

After discussion, a motion was made by Director Murany to accept the Landscaping, Grounds and Building Maintenance report. The Motion was seconded by Director Addicks 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 on this agenda item.,

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

At 6:35 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 6:50 p.m. After discussion, Director Murany made a motion to authorize the filing of legal actions by the law firm of Lam, Lyn & Philip, PC against the two delinquent accounts referred to them. The motion was seconded by Director Acosta and it carried unanimously.

OTHER MATTERS

The Board next discussed the format of Board meetings as of September 1 in light of Governor Abbott's lifting of the emergency public meeting parameters. After discussion, the Board concurred that as of September 1, 2021, (i) at least three (3) Board members and all District consultants will attend the Board meetings in person, (ii) members of the public should participate via Zoom, and (iii) up to two (2) Board members and any District staff member with health concerns could participate via Zoom.

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

PASSED, APPROVED, and ADOPTED this 16th day of September, 2021.

Asa B. [Signature]
Secretary, Board of Directors



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