

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

September 16, 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 16th day of September, 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), except Director Acosta, 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 of Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson (by Zoom) of Assessments of the Southwest ("ASW"), tax assessor/collector for the District; 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 August 19, 2021. After discussion, Director Murany made a motion to approve the minutes of the August 19, 2021, Board meeting, as presented. Director Farley seconded the motion and it carried unanimously.

PUBLIC COMMENTS

No comments from the public were received.

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 August 2021 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A".

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 Addicks and carried by unanimous vote.

PUBLIC HEARING ON DISTRICT'S 2020 TAX RATE

Director Murany next opened a public hearing on the District's 2021 proposed tax rate. No comments were received from the public and the hearing was closed.

ORDER LEVYING TAXES FOR 2021

The Board then considered adopting a 2021 debt service tax and maintenance tax. After discussion, Director Farley moved that the Board adopt an order levying a debt service tax of \$0.63 per \$100 of assessed valuation and a maintenance tax of \$0.24 per \$100 of assessed valuation, for a total 2021 District tax rate of \$0.87 per \$100 of assessed valuation. The motion was seconded by Director Murany and carried by unanimous vote.

AMENDED DISTRICT INFORMATION FORM

The Board next considered approving an Amended District Information Form reflecting the District's 2021 tax rate. After discussion, Director Murany moved that the Board approve the Amended District Information Form and authorize its filing in the Fort Bend County Real Property Records and with the Texas Commission on Environmental Quality (the "TCEQ"). Director Farley seconded the motion and it carried unanimously.

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".

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

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-41 relating to the preparation of Bond Application Report No. 23 for a new money bond issue and Task Order No. E-42 relating to the preparation of a Parks Bond Application. He stated that Ardurra's fee for preparing Bond Application Report No. 23 will be \$50,000 and \$10,000 for preparing the Parks Bond Application Report.

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 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. Pena next presented Pay Estimate No. 1 from Texas Pride Utilities, LLC ("Texas Pride") in the amount of \$36,695 for smoke testing in the Pheasant Creek subdivision pursuant to Work Order No. 6 (the "Pheasant Creek Smoke Testing Project"). He informed the Board that Ardurra recommends payment of this Pay Estimate.

Mr. Pena next presented Pay Estimate No. 2 from National Works, Inc. ("National Works") in the amount of \$23,375.56 for sanitary sewer cleaning and CCTV project 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. 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 reported that Ardurra is continuing its conversations with FEMA regarding the acceptance of A. R. Turnkee's bid for the Red Gully stormwater outfall project and an extension of time to complete the project.

Mr. Pena then reported that the on-call valve repair project has been completed and the final walkthrough for the lift station control panel replacement project was conducted on September 8. He also reported that Ardurra met with District staff on September 7 to review the 60% design documents for the new hydropneumatic tank at Water Plant No. 3 and for the wastewater treatment plant no. 1 digester overhaul project.

Regarding the sanitary sewer cleaning and CCTV project, Mr. Pena reported that all of the sanitary sewer lines in the Orchard Lake Estates subdivision and 25% of the sanitary sewer lines in the Old Orchard subdivision have been clean and televised.

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 Nos. E-41 and E-42, subject to review by the District's attorney;
- (iii) approve Pay Estimate No. 1 from Texas Pride in the amount of \$36,695 for the Pheasant Creek Smoke Testing Project; and
- (iv) approve Pay Estimate No. 2 from National Works in the amount of \$23,375.56 for the Sanitary Sewer CCTV Project.

Director Addicks seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist next reported that information regarding the required signage related to the new open carry law had been forwarded to District staff.

- 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 a resident had complained of street flooding in the Windsor Estates subdivision. He informed the Board that the Operations department televised the storm sewer lines in the reported area and did not find any blockage. He stated that honey-combed storm sewer plates were added to increase drainage flow.

After discussion, a motion was made by Director Murany to accept the Field Operations Report. Director Farley 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 Farley 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 Murany seconded the motion, which carried unanimously.

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 the District's information technology system did not have any issues during Hurricane Nicholas.

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 next presented a proposed budget for fiscal year 2021-2022 (the "**Budget**"), a copy of which is attached hereto as **Exhibit "G"**. After discussion, a motion was made by Director Murany to adopt (i) the Budget as presented, and (ii) the Bookkeeper's Report. 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) **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 a new air conditioning system has been installed in the Accounting department area and that storm windows were installed at the Operations building before Hurricane Nicholas.

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:

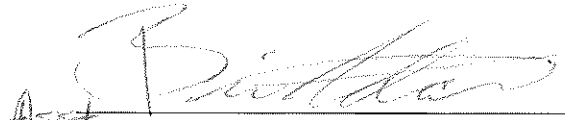
- (i) General legal items;
- (ii) General engineering items;
- (iii) General project items; and
- (iv) Future/Strategic Planning Issues (overall).

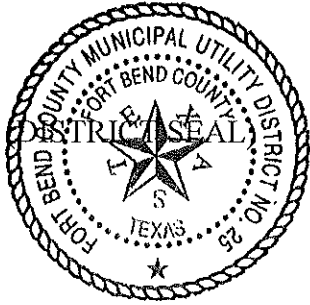
Ms. Ruvalcaba and Ms. Hayes stated that they had no information to report on this agenda item.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 28th day of October, 2021.


Asst. Secretary, Board of Directors



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