

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

October 28, 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 28th day of October, 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 and Meredith Faber (latter by Zoom) of Sechrist-Duckers LLP, attorneys for the District; Chris Canonico and Hector Pena of Ardurra Group, LLC (“Ardurra”), engineers for the District; Manny Perez, Information Technology (“IT”) Department; Deputy Misael Davila of the Fort Bend County Sheriff’s Office; and Josh Hargrave (by Zoom) of HARCO Insurance Company, insurers for the District

MINUTES

The Board first considered approval of the minutes of its regular meeting held on September 16, 2021. After discussion, Director Murany made a motion to approve the minutes of the September 16, 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

Ms. Hayes next reported that a home building company had contacted her about the potential annexation of property into the District. After discussion, Ms. Hayes stated that she would

attempt to find out more information about the types of homes the developer planned to build on the property if it is annexed.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Sechrist then presented the Tax Assessor/Collector's Report for September 2021 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. She reported that 99.34% of the District's 2020 taxes had been collected as of September 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

Ms. Ruvalcaba next presented the Delinquent Tax Attorney's Report prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**. She stated that Larson & Weisinger will provide an update next month on its recent drive by of the delinquent commercial tax accounts.

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 (the "Engineer's Report") prepared by Ardurra, a copy of which is attached hereto as **Exhibit "C"**. He first presented Ardurra's Task Order No. E-40 in the amount of \$120,720 for preliminary engineering and planning services for improvements to Water Well Nos. 1-4 (the "Water Well Project").

Mr. Pena next presented Work Order No. 8 from Texas Pride Utilities, LLC ("Texas Pride") in the amount of \$42,025.00 for the smoke testing of sanitary sewers located outside the subdivisions in the District (the "Sanitary Sewer Smoke Testing Project"). He informed the Board that Ardurra recommends approval of this Work Order.

Mr. Pena then presented Work Order No. 9 from Texas Pride in the amount of \$24,600.00 for cured-in-place pipe repairs in the Pheasant Creek subdivision (the "Pheasant Creek Pipe Repair Project"). He informed the Board that Ardurra recommends approval of this Work Order.

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 Application No. 1 from Texas Pride in the amount of \$16,400.00 for smoke testing at Park Pointe pursuant to Work Order No. 7 (the "Park Pointe Smoke Testing Project"). He informed the Board that Ardurra recommends payment of this Pay Application.

Mr. Pena then presented Pay Application No. 3 from National Works, Inc. ("National Works") in the amount of \$31,388.37 for sanitary sewer cleaning and CCTV inspection (the "Sanitary Sewer CCTV Project"). He informed the Board that Ardurra recommends payment of this Pay Application.

I. Grant or accept site and/or easement conveyances for facilities constructed or to be constructed for or on behalf of the District

Ms. Sechrist next presented a Warranty Deed (the "Deed") from the District to Fort Bend County conveying 0.1049 acres in connection with the construction of John Sharp Drive. After discussion, a motion was made by Director Murany to authorize execution of the Deed. The motion was seconded by Director Farley and carried by unanimous vote.

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 Task Order No. E-40 from Ardurra in the amount of \$120,720 for the Water Well Project, subject to review by the District's attorney;
- (iii) approve Texas Pride's Work Orders Nos. 8 and 9, subject to review by the District's attorney;
- (iv) approve Pay Application No. 1 from Texas Pride in the amount of \$16,400.00 for the Park Pointe Smoke Testing Project; and
- (v) approve Pay Application No. 3 from National Works in the amount of \$31,388.37 for the Sanitary Sewer CCTV Project.

Director Farley seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist next presented the 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 Addicks 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 there were no safety violations in September, however, today a District vehicle hit another vehicle. He stated that this incident will appear on next month's report.

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 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.

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. Perez stated that he had no information to report under 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 "F"**. He informed the Board that there are no outstanding accounts receivable. He also reported that the yearly audit is in the process of being prepared and will be presented at the next Board meeting.

Mr. Reddick next reported that a one-year certificate of deposit will be purchased from Industry State Bank at a 0.90% interest rate. After discussion, a motion was made by Director Murany to accept the Bookkeeper's Report. The motion was seconded by Director Addicks and carried by unanimous vote.

- (ii) **Consider proposals relative to renewal of the District's insurance policies coverage expiring November 2021**

Mr. Hargrave next discussed the renewal of the District's insurance policies expiring November 2021. He reported that the yearly premiums have increased by approximately \$15,000. After discussion, Director Murany made a motion to approve the renewal of the District's insurance policies. The motion was seconded by Director Addicks and carried unanimously.

- (iii) **Report budget results for fiscal year October 1, 2020 through September 30, 2021.**

Mr. Reddick next presented the budget results for fiscal year October 1, 2020 through September 30, 2021.

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 that a new air conditioning unit had been installed at the Clodine Road Administration Building, the planting along Old Richmond Road is complete, and the Water Well No. 1 fence replacement will occur next week.

After discussion, a motion was made by Director Addicks 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)
- (v) Annual results of Group Goals for October 1, 2020 – September 30, 2021.

Ms. Ruvalcaba next informed the Board that all Group Goals for fiscal year 2020-2021 had been met. After discussion, a motion was made by Director Murany to accept the Executive Management Reports. The motion was seconded by Director Addicks and carried by unanimous vote.

EXECUTIVE SESSION

At 6:12 p.m., the Board convened in Executive Session.

RECONVENE


At 6:15 p.m., the Board reconvened in open session. After discussion, a motion was made by Director Murany to approve the proposed settlement of the dispute with Wharton-Smith. The motion was seconded by Director Addicks and carried by unanimous vote.

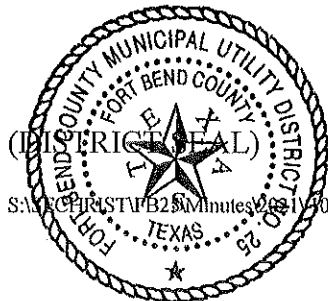
Director Murany next reported that Director Acosta has tendered his resignation for personal reasons. After discussion, the Board concurred to accept Director Acosta's resignation and thanked him for his years of service and valuable contributions to the Board and the District.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 18th day of November, 2021.


Secretary, Board of Directors



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