

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

**March 16, 2023**

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 16<sup>th</sup> day of March, 2023, at a regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Glenn Farley	President
Escoto Thomas	Vice President/Assistant Secretary
Brian Addicks	Assistant Vice President/Investment Officer
Dan Turner	Secretary
Jeffery Williams	Assistant Secretary

and all of said persons were present during all or a portion of the meeting, except Directors Thomas and Turner, 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; Dominique Reddick, Director of Financial Services; Tyler Bridges, Construction and Maintenance Manager; David Nguyen, Information Technology ("IT") Department; Terrie Sechrist with Sechrist Duckers LLP, attorneys for the District; Chris Canonico and Hector Pena (by Zoom) with Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson (by Zoom) with Assessments of the Southwest, tax assessor-collector for the District; Jared Welsh with Masterson Advisors LLC ("Masterson"), financial advisors for the District; and Deputy Jeff Martinez with the Fort Bend County Sheriff's Office

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on February 16, 2023. After discussion, Director Williams made a motion to approve the minutes of the February 16, 2023, Board meeting, as presented Director Addicks seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

No comments were received from members of the public.

## **FINANCIAL ADVISOR'S REPORT**

Mr. Welsh next discussed with the Board the feasibility of issuing approximately \$4,00,000 in unlimited tax bonds for an effluent reuse project. After discussion, a motion was made by Director Farley to authorize the preparation of a bond application report for the construction of an effluent reuse line from the Districts wastewater treatment plant no. 1 to the Chelsea Harbour amenity lake. The motion was seconded by Director Addicks and carried by unanimous vote.

## **DEVELOPER'S REPORT**

No report was received from a developer of land in the District.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

Mr. Patterson next presented the Tax Assessor/Collector's Report for February 2023 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 93.39% of the District's 2022 taxes and 99.54% of the District's 2021 taxes had been collected as of February 28, 2023.

After discussion, Director Farley moved that the Board (i) accept the Tax Report, and (ii) authorize payment of all disbursements listed thereon or otherwise presented at the meeting. The motion was seconded by Director Addicks and carried by unanimous vote.

### **A. Consider granting exemptions from taxation for tax year 2023 and the adoption of a resolution in connection therewith**

Ms. Sechrist next outlined for the Board the various tax exemptions available under the Texas Tax Code for the District to grant to landowners within the District's boundaries. She informed the Board that last year it granted an exemption of \$10,000 of the appraised value of the residence homestead of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or who are sixty-five (65) years of age or older (the "Disabled/Over 65 Exemption"). After discussion, Director Farley moved that the Board adopt a Resolution Concerning Exemptions from Taxation that grants a \$10,000 Disabled/Over 65 Exemption for tax year 2023. Director Addicks seconded the motion, which carried unanimously.

### **B. Adopt a Resolution Authorizing Additional Penalty on Delinquent Taxes**

The Board next considered adopting a resolution that authorizes the imposition of an additional penalty of 20% on tax accounts that are not paid in accordance with the Texas Tax Code (the "Additional Penalty Resolution"). Ms. Sechrist reminded the Board that the additional penalty would be used to pay the District's delinquent tax attorney. After discussion, upon a motion made by Director Williams and seconded by Director Addicks, the Board voted unanimously to adopt the Additional Penalty Resolution.

**C. Adopt a Resolution Concerning Tax Collection Procedures**

Ms. Sechrist next outlined for the Board the various tax collection procedures available to the District. She reported that the Board has the option of rejecting or permitting: (i) the District to refrain from sending a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00 or more; (ii) the split payment of taxes; and (iii) discounts for the early payment of taxes. After discussion, Director Williams moved that, for tax year 2023, the Board adopt a Resolution Concerning Tax Collection Procedures that rejects: (i) the option to not send a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00; (ii) the option to allow the split payment of taxes; and (iii) the option to offer discounts for the early payment of taxes. Director Farley seconded the motion, which carried unanimously.

**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 no Board action was required.

**ENGINEER'S REPORT**

Mr. Canonico next presented the District Engineer's Report prepared by Ardurra (the "Engineer's Report"), a copy of which is attached hereto as **Exhibit "C"**.

**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. Authorize and/or approve Bond application reports**

Mr. Canonico stated that he had no further 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**

Mr. Canonico stated that he had no information to report on 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. Canonico then presented Pay Application No. 5 from CDC Unlimited, LLC (“CDC”), in the amount of \$54,585.40 pursuant to Work Order No. 1 issued in connection with the manhole rehabilitation project (the “Manhole Rehabilitation Annual Service”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Canonico then presented Pay Application No. 2 from McDonald Municipal & Industrial (“McDonald”) in the amount of \$348,750.00 for the replacement of the generators at Wastewater Treatment Plant No. 1 (the “WWTP No. 1 Generator Replacement Project”). He informed the Board that Ardurra recommends approval 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 further 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 Farley made a motion to (i) accept the Engineer's Report, (ii) approve Pay Application No. 5 from CDC in the amount of \$54,585.00 for the Manhole Rehabilitation Annual Service, and (ii) approve Pay Application No. 2 from McDonald in the amount of \$348,750.00 for the WWTP No. 1 Generator Replacement Project, subject to District Staff's approval of the load bank test and the replacement of the missing parts. Director Williams 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 under 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 under 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 under this agenda item.

**F. Adopt amendments to the District's Rate Order**

Ms. Sechrist stated that she had no information to report under this agenda item.

**G. Consider annual review of the prevailing wage rate scaled for construction projects and consider authorizing survey of wages**

Ms. Sechrist next advised the Board that Chapter 2258 of the Texas Government Code requires that each year, the District determine the general prevailing rate of per diem wages for certain crafts and types of workers on District construction projects and the general prevailing rate of per diem wages for legal holiday and overtime work. After discussion, a motion was made by Director Farley to authorize the District's attorney to conduct a survey of the wages received by classes of workers employed on public works projects of Fort Bend County, the City of Houston, and the United States Department of Labor. The motion was seconded by Director Williams and carried by unanimous vote.

After further discussion, a motion was made by Director Farley to accept the Attorney's Report. The motion was seconded by Director Addicks and carried by 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 next presented the monthly Field Operations Report and the Construction and Projects Summary Report, copies of which are attached hereto as part of **Exhibit "D"**. He reported that water accountability in the District was 90% for February.

After discussion, a motion was made by Director Farley to accept the Field Operations Report and the Construction and Projects Summary Report. Director Williams seconded the motion, which carried by unanimous vote.

**B. Building Maintenance and Landscaping/Grounds Maintenance Items, including:**

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

Mr. Bridges next presented the Building Maintenance and Landscaping Grounds Report, a copy of which is attached hereto as part of **Exhibit "D"**. He reported that the tree trimming project has been completed.

After discussion, a motion was made by Director Farley to accept the Building Maintenance and Landscaping Grounds Report. The motion was seconded by Director Addicks and carried by unanimous vote.

**C. 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. Ms. Ruvalcaba 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 Williams seconded the motion, which carried unanimously.

**D. 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 test demo site for the payment processing system is still being evaluated.

After discussion, a motion was made by Director Farley to accept the IT Report. Director Williams seconded the motion, which carried by unanimous vote.

**E. 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 reported that the annual interim audit will be conducted in April.

After discussion, a motion was made by Director Farley to accept the Bookkeeper's Report. Director Williams seconded the motion, which carried by unanimous vote.

**F. 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.

**G. 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) **Risk Management items; and**
- (vi) **Discuss Directors attendance at the AWBD Summer Conference to be held in June and authorize appropriate action.**

The Board next discussed the AWBD Summer Conference to be held in June in Corpus Christi, Texas (the "AWBD Summer Conference"). After discussion, a motion was made by Director Farley to approve the attendance of all interested Directors at the AWBD Summer Conference. The motion was seconded by Director Williams and carried by unanimous vote.

Ms. Ruvalcaba next informed the Board that she is reviewing the article prepared by Touchstone District Services on the District's tax rate for posting on the District's website and otherwise distributed to the District's customers with the monthly utility bills.

**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 next discussed the long-term management of District assets.



**EXECUTIVE SESSION**

At 6:42 p.m., the Board convened in Executive Session.

**RECONVENE**

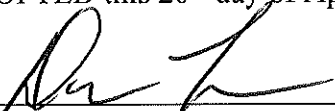
At 7:11 p.m., the Board reconvened in open session. No action was taken after the Executive Session.

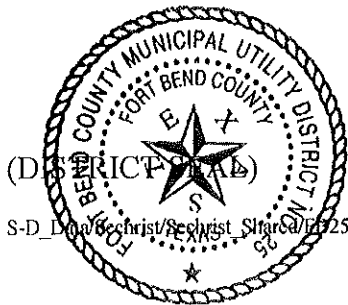
**OTHER MATTERS**

Director Williams next requested that Ms. Sechrist provide information to the Directors regarding Robert’s Rules of Order.

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

PASSED, APPROVED, and ADOPTED this 20<sup>th</sup> day of April, 2023.

  
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Secretary, Board of Directors



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