

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

April 20, 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 20th day of April, 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, with Director Thomas participating by Zoom, 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 (by Zoom) and Hector Pena with Ardurra Group, LLC (“Ardurra”), engineers for the District; David Patterson with Assessments of the Southwest, tax assessor-collector 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 March 16, 2023. After discussion, Director Farley made a motion to approve the minutes of the March 16, 2023, Board meeting, as presented. Director Williams seconded the motion and it carried unanimously.

PUBLIC COMMENTS

No comments were received from members of the public.

DEVELOPER’S REPORT

Mr. Canonico informed the Board that he recently was contacted by a developer interested in purchasing property near the District’s detention pond on West Airport.

Ms. Hayes then informed the Board that David Fisher has expressed interest in purchasing property on Old Richmond Road between Voss Road and West Airport Boulevard and annexing that property into the District.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for March 2023 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He reported that 96.89% of the District's 2022 taxes and 99.59% of the District's 2021 taxes had been collected as of March 31, 2023. He also reported that the District's preliminary assessed value for tax year 2023 is \$1,574,060,790.

After discussion, Director Farley moved that the Board accept the Tax Report and 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.

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. Pena next presented the District Engineer's Report prepared by Ardurra (the "Engineer's Report"), a copy of which is attached hereto as Exhibit "C". He first presented Ardurra's Task Order E-58 for engineering services related to the preparation of a bond application report for the District's Series 2023A Bonds in an amount not to exceed \$10,000.

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. Authorize and/or approve Bond application reports

Mr. Pena stated that he had no further 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 next informed the Board that two (2) bids had been received for the generator replacement project at Water Well Nos. 1 and 2 and Lift Station Nos. 1, 3 and 4 (the "Generator Replacements at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4 Project"). He stated that Ardurra recommends that the District award the contract for the Generator Replacement Project to the apparent lowest bidder, McDonald Municipal & Industrial ("McDonald"), in the amount of \$593,069.

Mr. Pena then informed the Board that four (4) bids had been received for the rehabilitation of Water Well No. 2 (the "Well No. 2 Rehabilitation Project"). He stated that Ardurra recommends that the District award the contract for the Well No. 2 Rehabilitation Project to the apparent lowest bidder, C-C Water Services ("C-C"), in the amount of \$162,000.

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

Mr. Pena then presented Pay Application No. 6 from C³ Constructors ("C³ Constructors") in the amount of \$131,233 for the replacement of the conveyors at Wastewater Treatment Plant No. 1 (the "WWTP Nos. 1 and Centrifuge and Blower Rehabilitation Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena then presented Pay Application No. 3 and Final from AR Turnkee Construction Company, Inc. ("AR Turnkee"), in the amount of \$17,500 and Change Order No. 1 in the deduct amount of (\$17,500) for repairs to eleven (11) stormwater outfalls to Red Gully partially funded by FEMA (the "Red Gully Stormwater Outfall Repair Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate and Change Order.

Mr. Pena then presented Pay Application No. 1 from The Brandt Companies, LLC ("Brandt"), in the amount of \$21,956.40 for the replacement of electrical equipment at Water Plant No. 3 (the "Water Plant No. 3 Electrical Equipment Replacement Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented (i) Pay Application No. 1 in the amount of \$11,250, (ii) Pay Application No. 3 in the amount of \$17,522.10, and (iii) Pay Application No. 4 and Final in the amount of \$41,946.90 from McDonald 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 these Pay Estimates.

Mr. Pena then presented (i) Pay Application No. 6 and Final in the amount of \$39,847.80 pursuant to Work Order No. 1, and (ii) Pay Application No. 1 and Final in the amount of \$106,868 pursuant to Work Order No. 2 from CDC Unlimited, LLC ("CDC"), submitted in connection with the manhole rehabilitation project (the "Manhole Rehabilitation Annual Service"). He informed the Board that Ardurra recommends approval of these Pay Estimates.

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 further 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 Farley made a motion to:

- (i) accept the Engineer's Report;
- (ii) approve Pay Application No. 6 from C³ in the amount of \$131,233 for the WWTP Nos. 1 and 2 Centrifuge and Blower Rehabilitation Project;
- (iii) approve Pay Application No. 3 and Final from AR Turnkee in the amount of \$17,500 and Change Order No. 1 in the deduct amount of (\$17,500) for the Red Gully Stormwater Outfall Repair Project;

- (iv) approve Pay Application No. 1 from Brandt in the amount of \$21,956.40 for the WP No. 3 Electrical Equipment Replacement Project;
- (v) approve the following Pay Applications from McDonald for the WWTP No. 1 Generator Replacement Project: (a) Pay Application No. 1 in the amount of \$11,250; (b) Pay Application No. 3 in the amount of \$17,552.10; and (c) Pay Application No. 4 and Final in the amount of \$41,946.90;
- (vi) award the contract for the Generator Replacements at Water Well Nos. 1 & @ and Lift Stations Nos. 1, 3 & 4 Project to McDonald in the amount of \$593,069, 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 (the "TCEQ"), and the provisions of the Texas Water Code;
- (vii) award the contract for the Well No. 2 Rehabilitation Project to C-C in the amount of \$162,000, 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 TCEQ, and the provisions of the Texas Water Code; and
- (viii) approve Ardurra's Task Order E-58.

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. Ruvalcaba next presented a proposed amendment to the District's Rate Order. She recommended that Section 2.A(2) be revised to provide that the tap fee for commercial properties be up to three (3) times the District's costs (the "Rate Order Amendment"). After discussion, a motion was made by Director Williams to accept the Rate Order Amendment, effective as of January 1, 2023. The motion was seconded by Director Farley and carried by unanimous vote.

G. Adopt a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects

Ms. Sechrist then presented a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate Resolution") and reviewed with the Board a survey (the "Survey") which reflected the prevailing wage rates for the City of Houston, Fort Bend County (the "County"), and the United States Department of Labor (the "DOL"). She informed the Board that the County has adopted the wage rate scale set by the DOL and that the Wage Rate Scale for the District was determined by taking an average of the DOL and the City of Houston wage rates. After discussion, a motion was made by Director Farley to adopt the Wage Rate Resolution. Director Addicks seconded the motion, which carried unanimously.

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 95% for March.

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 TxDOT is in the process of replacing trees in the F.M. 1464 medians that died due to the recent freeze.

After discussion, a motion was made by Director Farley to accept the Building Maintenance and Landscaping Grounds Report. The motion was seconded by Director Williams 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 Turner 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 next stated that the electronic payment processing system is expected to be operational by July.

After discussion, a motion was made by Director Farley to accept the IT Report. Director Addicks 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 then 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 there were no recommended budget adjustments for the second quarter of the current fiscal year.

Mr. Reddick next requested the Board's approval to auction two (2) surplus trucks (the "Trucks").

After discussion, a motion was made by Director Farley to (i) accept the Bookkeeper's Report and authorize the payment of all disbursements listed thereon or otherwise presented at the meeting, and (ii) adopt an Order authorizing the sale of the Trucks pursuant to Section 49.226 of the Texas Water Code. 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.

- (iii) **Review and approve second quarter result of Group Goals for fiscal year 2022-2023.**

Ms. Ruvalcaba next presented the second quarter Group Goals report. She reported that District staff is on track to meet all Goals.

After discussion, a motion was made by Director Williams to accept the second quarter Group Goals report. The motion was seconded by Director Farley which carried by unanimous vote.

- (iv) **Authorize Operations staff to prepare a draft Consumer Confidence Report for review by the Board.**

Ms. Ruvalcaba next informed the Board that the annual Consumer Confidence Report (“CCR”) will be prepared after receipt of the template from the TCEQ. After discussion, a motion was made by Director Williams to authorize the completion of the CCR upon receipt of the template from the TCEQ and the distribution of same to the District’s customers. The motion was seconded by Director Farley and carried by unanimous vote.

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

Ms. Ruvalcaba stated that she 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.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 18th day of May, 2023.



Jeffrey A. Williams
Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS

	Minutes
	<u>Page</u>
tax assessor/collector's report	2
delinquent tax attorney's report	2
engineer's report	2
operations report, construction and projects summary, building and maintenance report	7
penalty register	7
bookkeeper's report	8