

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

**November 16, 2023**

**REVISED BY BOARD ACTION ON 1/18/2024**

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 November, 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; Hector Pena with Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson with Assessments of the Southwest ("ASW"), 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 October 19, 2023. After discussion, Director Farley made a motion to approve the minutes of the October 19, 2023, Board meeting, as amended. Director Williams seconded the motion and it carried unanimously.

### **PUBLIC COMMENTS**

No comments were received from members of the public.

### **DEVELOPER'S REPORT**

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

## **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 "A"**. 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 "B"**. He first informed the Board that the District's contract with PM Construction & Rehab, LLC ("**PM Construction**") for sanitary sewer rehabilitation annual service is up for renewal (the "**Sanitary Sewer Rehabilitation Annual Service Contract**"). He stated that Ardurra recommended extending the Sanitary Sewer Rehabilitation Annual Service Contract for one year pursuant to the same terms, conditions and pricing structure contained in the original contract (the "**Extension Terms**"). After discussion, a motion was made by Director Williams to renew the Sanitary Sewer Rehabilitation Annual Service Contract pursuant to the Extension Terms. The motion was seconded by Director Farley and carried unanimously.

### **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 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 then presented Pay Application No. 2 from Gilleland Smith Construction, Inc. ("Gilleland") in the amount of \$27,900 for the new hydropneumatic tank at Water Plant No. 3 (the "Hydro Tank Project"). He informed for the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Pay Application No. 1 and Final pursuant to Work Order No. 6 submitted by CDC Unlimited, LLC ("CDC"), in the amount of \$45,097.00 for the manhole rehabilitation project near Lift Station No. 5 (the "Lift Station No. 5 Manhole Rehabilitation Annual Service Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena then presented Pay Application No. 2 and Final pursuant to Work Order No. 5 submitted by CDC in the amount of \$31,444.50 for the rehabilitation of stormwater and lift station manholes within the District (the "Stormwater/Lift Station Manhole Rehabilitation Annual Service 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. 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 further 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. 2 from Gilleland in the amount of \$27,900 for the Hydro Tank Project;
- (iii) approve Pay Application No. 1 and Final from CDC pursuant to Work Order No. 6 in the amount of \$45,097 for the Lift Station No. 5 Manhole Rehabilitation Annual Service Project; and
- (iv) approve Pay Application No. 2 and Final from CDC in the amount of \$31,444.50 for the Stormwater/Lift Station Manhole Rehabilitation Annual Service Project.

Director Turner seconded the motion, which passed unanimously.

**ATTORNEY'S REPORT**

Ms. Sechrist first presented an Amended and Restated Resolution Regarding Account Expenditures (the "Account Expenditures Resolution") that reflected the recent statutory increases in the contract amounts subject to advertisement for competitive bidding. After discussion, a motion was made by Director Williams to adopt the Account Expenditures Resolution. The motion was seconded by Director Farley and carried by unanimous vote.

**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.

After 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.

**TAX ASSESSOR/COLLECTOR'S REPORT**

Mr. Patterson next presented the Tax Assessor/Collector's Report for October (the "Tax Report"), a copy of which is attached hereto as **Exhibit "C"**. He reported that 0.82% of the District's 2023 taxes and 99.16% of the District's 2022 taxes had been collected as of October 31, 2023.

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 Williams 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 October.

Mr. Bridges then informed the Board that two (2) safety violations with no injuries occurred since the last Board meeting when (i) an operator backed a mini excavator into a District truck, which caused a minor scratch, and (ii) while mowing near the hydropneumatic tank at Water Plant No. 1 (the “Tank”), a District maintenance employee hit the bottom attachment of the Tank’s sight glass. He stated that bollards have been installed around Tank to prevent a similar incident in the future.

After discussion, a motion was made by Director Farley to accept the Field Operations 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 stated that he had no additional information to report under this agenda item.

**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. She reported that only one customer of the District has not enrolled in the ACH program.

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 after the Thanksgiving holiday 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 Report and other information to include:**

- (i) **Fixed Network Update (meter reads and analytics); and**
- (ii) **Other Information Technology related items.**

Mr. Nguyen first reported that cyber security locks have been installed at the front gates of the District’s water facilities. Discussion ensued regarding the various security procedures

associated with the cyber locks. He then requested the Board's approval to sell the surplus, obsolete information technology items listed on Exhibit "F" (the "Surplus Technology Items") by private sale as authorized by Section 49.226 of the Texas Water Code.

After discussion, a motion was made by Director Farley to (i) authorize the private sale of the Surplus Technology Items, and (ii) approve the Information Technology Report. Director Williams seconded the motion, which carried unanimously.

**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 "G". He informed the Board that the 2023 audit should be available for the Board's review by its December meeting.

Mr. Reddick then reported that a \$200,000 certificate of deposit with Industry State Bank will renew on November 30 (the "CD"). He requested the Board's approval to cash out the CD and all interest earned thereon and reinvest such cash proceeds in a new \$900,000 certificate of deposit with Industry State Bank.

After discussion, a motion was made by Director Farley to (i) accept the Bookkeeper's Report, (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting, and (iii) to cash out the CD and all interest earned thereon and reinvest such cash proceeds in a new certificate of deposit with Industry State Bank. Director Williams seconded the motion, which carried by unanimous vote.

**F. Human Resources, Operations Group Goals, Policies and General Policy matters, including:**

Ms. Ruvalcaba stated that she had no information to report on this agenda item.

**(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; 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 and Ms. Hayes stated that they had no information to report under this agenda item.

**OTHER MATTERS**

Discussion next ensued regarding the recent Food Drive and suggestions for future drives and ways to reduce the insurance costs.

**EXECUTIVE SESSION**

At 6:22 p.m., the Board convened in Executive Session.

**RECONVENE**

At 6:45 p.m., the Board reconvened in open session. No action was taken after the Executive Session.

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



APPROVED, and ADOPTED this 14<sup>th</sup> day of December, 2023.

  
Secretary, Board of Directors



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