

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

**April 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 18<sup>th</sup> day of April, 2024, 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
Vacant	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, thus constituting a quorum.

Also present during all or a portion of the meeting were: Leonela Ruvalcaba, Executive General Manager; Dominique Reddick, Director of Financial Services; Tyler Bridges, Construction and Maintenance Manager; Terrie Sechrist with Sechrist Duckers LLP, attorneys for the District; David Nguyen, Information Technology (“IT”) Department; Hector Pena with Ardurra Group, LLC (“Ardurra”), engineers for the District; Chris Canonico (by Zoom) with Ardurra; Deputy Rodney Rodriguez with the Fort Bend County Sheriff’s Office; and Brad Moon (by Zoom), a resident of the District.

**MINUTES**

The Board first considered approval of the minutes of its regular meeting held on March 21, 2024. After discussion, Director Farley made a motion to approve the minutes of the March 21, 2024, Board meeting, as presented. Director Addicks seconded the motion and it carried unanimously.

**PUBLIC COMMENTS**

Mr. Moon next addressed the Board and asked if there are any PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances) levels in the District’s water supply. Mr. Bridges stated that the State of Texas recently required PFAS testing as of April 8. He further stated that prior to April 8, the District was required to conduct tests pursuant to the United States Environmental Protection Agency’s Unregulated Contaminant Monitoring Rule (“UCMR”) and the District’s water supply did not exceed any limits established in the UCMR. Mr. Moon then requested that the UCMR testing results be posted on the District’s website.

## **DEVELOPER'S REPORT**

Mr. Pena then reported that Ardurra has been contacted by entities interested in purchasing two tracts of land near West Airport, one of which is within the District and one which is outside of the District's boundaries.

After discussion, a motion was made by Director Farley to accept the Developer's Report. The motion was seconded by Director Addicks and carried by unanimous vote.

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

Ms. Sechrist then presented the Tax Assessor/Collector's Report for March (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. She reported that 96.35% of the District's 2023 taxes and 96.81% of the District's 2022 taxes had been collected as of March 31, 2024.

After discussion, Director Farley made a motion 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 Williams 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 reported that the District's Delinquent Tax Attorney is in the process of compiling a water termination list for the Board's review in July.

## **ENGINEER'S REPORT**

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

He first presented three Task Orders for the Board's approval: (i) Task Order E-64 for engineering fees relating to the design, bid and construction services for the replacement of the natural gas generator at Water Well No. 4 (the "Water Well No. 4 Generator Replacement Project") in an amount not to exceed \$21,000; (ii) Task Order E-65 for engineering fees relating to the design, bid, and construction services for replacement of all booster pumps and motors, valves, and above-ground piping at Water Well Nos. 1 through 2 (the "Water Well Nos. 1 - 2 Upgrades Project") in an amount not to exceed \$205,000; and (iii) Task Order E-66 for engineering fees related to the to the implementation of a Geographic Information Systems (GIS) in an amount not to exceed \$80,000 (the "GIS Project").

### **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 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 four (4) bids had been received for the sanitary sewer manhole and sidewalk repair project (the "Manhole Rehabilitation Project"). He stated that Ardurra recommends the District award the contract for the Manhole Rehabilitation Project to the bidder with the lowest unit prices based on sample projects, Allteam Solutions LLC ("Allteam").

Mr. Pena then informed the Board that four (4) bids had been received for the rehabilitation of Water Well No. 4 (the "Water Well No. 4 Rehabilitation Project"). He stated that Ardurra recommends that the District award the contract for the Water Well No. 4 Rehabilitation Project to the apparent lowest bidder, Smith Pump Company, Inc. ("Smith Pump"), in the amount of \$291,081.00.

**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. 5 from Gilleland Smith Construction, Inc. ("Gilleland") in the amount of \$20,700.00 for the new hydropneumatic tank at Water Plant No. 3 (the "Hydro Tank Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena then presented Pay Application No. 4 submitted by Industrial TX Corp. (“Industrial”) in the amount of \$377,815.00 for the second phase of the rehabilitation of water waste treatment plant nos. 1 and 2 (the “WWTP Nos. 1 and 2 Phase 2 Rehabilitation Project”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Change Order No. 1 submitted by Industrial in connection with the WWTP Nos. 1 and 2 Phase 2 Rehabilitation Project in the deduct amount of (\$329,269.28). He informed the Board that Ardurra recommends approval of this Change Order.

**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. 5 from Gilleland in the amount of \$20,700.00 for the Hydro Tank Project;
- (iii) approve Pay Application No. 4 from Industrial in the amount of \$377,815.00 for the WWTP Nos. 1 and 2 Phase 2 Rehabilitation Project;

- (iv) approve Change Order No. 1 from Industrial in the deduct amount of (\$329,269.28) for the WWTP Nos. 1 and 2 Phase 2 Rehabilitation Project;
- (v) award the contract for the Manhole Rehabilitation Project to Allteam, 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 requirement of the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality (the "TCEQ"), and the provisions of the Texas Water Code;
- (vi) award the contract for the Water Well No. 4 Rehabilitation Project to Smith Pump, 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 requirement of the Texas Insurance Code, the rules of the TCEQ, and the provisions of the Texas Water Code;
- (vii) approve Ardurra's Task Order E-64 for engineering fees related to the Water Well No. 4 Generator Replacement Project at a cost not to exceed \$21,000.00, after review and approval by the District's attorney and District staff;
- (viii) approve Ardurra's Task Order E-65 at a cost not to exceed \$205,000.00, for engineering fees related to the Water Well Nos. 1 – 2 Upgrades Project, after review and approval by the District's attorney and District staff; and
- (ix) approve Ardurra's Task Order E-66 for engineering fees related to the GIS Project at a cost not to exceed \$80,000.00, after review and approval by the District's attorney and District staff.

Director Addicks seconded the motion, which passed unanimously.

### **ATTORNEY'S REPORT**

Ms. Sechrist then presented the Attorney's Report. She first presented a resolution in support of the application by Tur-Con, Inc., to the TCEQ for a Municipal Setting Designation for 810 Industrial Boulevard in Sugar Land (the "Tur-Con MSD Resolution"). After discussion, Director Farley made a motion to adopt the Tur-Con MSD Resolution. The motion was seconded by Director Addicks and carried unanimously.

Ms. Sechrist next presented an Order Regarding the Sale of District Surplus Personal Property (the "Sale Order"). She informed the Board that the District had a 2001 truck and a 2008 truck that were now surplus and could be sold at the public or private sale pursuant to Section 8, 49.226 of the Texas Water Code. After discussion, Director Farley made a motion to adopt the Sale Order. The motion was seconded by Director Addicks and carried unanimously.

- 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 further information to report under these agenda items.

**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 Williams to adopt the Wage Rate Resolution. Director Farley 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 Turner 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;**
- (viii) **QLIP items, including pocket park status; and**
- (ix) **Authorize Operations staff to provide required information to districts receiving water through emergency interconnects relative to Consumer Confidence Reports.**

Mr. Bridges next presented the monthly Field Operations Report and the Construction and Projects Summary Report, a copy of which is attached hereto as **Exhibit "D"**. He reported that water accountability in the District was 99% for March.

Mr. Bridges next reported on several incidents of grease being deposited into the District's storm sewer manholes. After discussion, the Board concurred to have the District's attorney send a letter to the owner of the Rosenberg Retail Center regarding the possible imposition of a \$5,000 fine pursuant to Section 22. C of the District's Rate Order and request for reimbursement of all costs incurred by the District to remove the grease.

### **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 information to report under these agenda items.

After discussion, a motion was made by Director Williams to accept the Field Operations, Building Maintenance, and Projects reports. Director Farley seconded the motion, which 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, a copy of which is attached hereto as part of **Exhibit “B”** (the “Terminations List”).

After discussion, a motion was made by Director Farley to accept the Billings and Collections Report. Director Turner 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 stated that he had no information to report under these agenda items.

**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 “E”**. He reported that Belt Harris Pechacek LLLP, the District’s current auditor, was acquired by Crown LLC. He stated that the same audit representative would be assigned to the District’s account.

Mr. Reddick next reported on the reinvestment of a \$900,000 Certificate of Deposit with Industry State Bank for five (5) months at a 4.7% interest rate.

Mr. Reddick then reported that no budget adjustments were necessary at this time.

After discussion, a motion was made by Director Williams to (i) accept the Bookkeeper’s Report, and (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. Director Turner 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.;**
- (ii) Any other matters deemed appropriate and related to overall Administrative items, Human Resources, etc.; and**
- (iii) Review and approve second quarter result of Group Goals for fiscal year 2023-24.**

Ms. Ruvalcaba next presented proposed changes to the District's Employee Manual, including the Severance Policy section. After discussion, Director Farley made a motion to approve the proposed amendments to the District's Employee Manual, including the Severance Policy Section, effective April 2024. The motion was seconded by Director Turner and carried unanimously.

Ms. Ruvalcaba then presented the results of the Group Goals for the second quarter of 2024 (the "2<sup>nd</sup> Quarter Group Goals Results"), a copy of which is attached hereto as **Exhibit "F"**. She informed the Board that the District is on track to meet all of the goals. After discussion, Director Williams made a motion to accept the 2<sup>nd</sup> Quarter Group Goals Results. 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;**
- (v) Approve the five year "Water Conservation Plan": and**
- (vi) Risk Management items.**

Ms. Ruvalcaba then presented the District's five-year water conservation plan (the "Water Conservation Plan"), a copy of which is attached hereto as **Exhibit "G"**. She stated that the Water Conservation Plan is designed to meet a five-year target of reducing average daily water use by 2% from the current 96 gallons per capita per day recommended level and to maintain unaccounted water below 13% annually.

After discussion, Director Farley made a motion to adopt a Resolution adopting the Water Conservation Plan and authorize the filing of same with the Texas Water Development Board. Director Williams seconded the proposal, which carried unanimously.

After further discussion, a motion was made by Director Farley to accept the Risk Management Report. The motion was seconded by Director Turner and carried unanimously.

**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 under this agenda item.

**CONVENE IN EXECUTIVE SESSION TO DELIBERATE, REVIEW AND DISCUSS EMPLOYEE MATTERS**

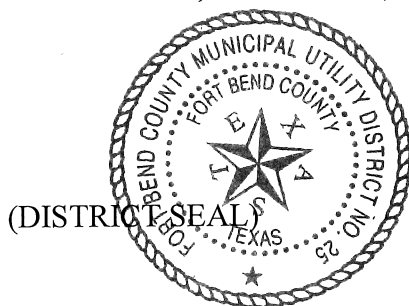
At 6:22 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:50 p.m.

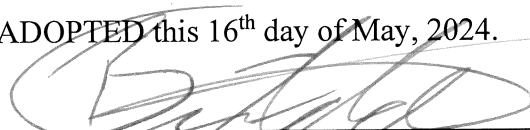
After discussion, motion was made by Director Farley to (i) accept the resignation of Mary Hayes as an employee of the District, effective April 26, 2024, and (ii) approve a consulting contract with Bella Professional Consultants LLC. Director Addicks seconded the motion, which carried unanimously.

**OTHER MATTERS**

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

PASSED, APPROVED, and ADOPTED this 16<sup>th</sup> day of May, 2024.



  
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Secretary, Board of Directors

**LIST OF ATTACHMENTS**

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