

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

May 18, 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 18th day of May, 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; 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 (via Zoom) 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 April 20, 2023. After discussion, Director Farley made a motion to approve the minutes of the April 20, 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 developers of property in the District.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for April 2023 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He reported that 97.33% of the District's 2022 taxes and 99.63% of the District's 2021 taxes had been collected as of April 30, 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.

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".

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. 7 from C³ Constructors (“C³ Constructors”) in the amount of \$417,924 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. 1 pursuant to Work Order No. 1 submitted by PM Construction & Rehab, LLC (“PM Construction”), in the amount of \$113,367 for the sanitary sewer rehabilitation annual service in the Orchard Lake Estates subdivision (the “Sanitary Sewer Rehabilitation Annual Service Project”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena then presented Pay Application No. 1 pursuant to Work Order No. 3 submitted by CDC Unlimited, LLC (“CDC”), in the amount of \$103,014 for the manhole rehabilitation project within the Chelsea Harbour subdivision (the “Manhole Rehabilitation Annual Service”). 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 next discussed with the Board the fee to be charged to the owner of the property located at 16403 West Belfort (the “Property”), which is adjacent to the District and located in Fort Bend County Fresh Water Supply District No. 2, for the grant of a drainage easement (the “Easement”) over adjacent District property (the “Easement Property”). After discussion, a motion was made by Director Farley to charge a fee for the grant of a drainage easement over the Easement Property based on the following formula: the current square foot market value of the Easement Property as established by the Fort Bend Central Appraisal District, multiplied by the square feet within the Easement, plus the legal and engineering costs incurred by the District in reviewing, approving, and preparing the Easement and related documents. The motion was seconded by Director Addicks and carried by unanimous vote.

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 Williams made a motion to:

- (i) accept the Engineer's Report;
- (ii) approve Pay Application No. 7 from C³ Constructions in the amount of \$417,924 for the WWTP Nos. 1 and 2 Centrifuge and Blower Rehabilitation Project;
- (iii) approve Pay Application No. 1 submitted by PM Construction pursuant to Work Order No. 1 in the amount of \$113,367 for the Sanitary Sewer Rehabilitation Annual Service Project; and
- (iv) approve Pay Application No. 1 submitted by CDC pursuant to Work Order No. 3 in the amount of \$103,014 for the Manhole Rehabilitation Annual Service.

Director Addicks 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 then presented an amended resolution to the Texas Commission on Environmental Quality for a change in use and release of surplus funds for the addition of handrails to the District's ground storage tanks and rehabilitation of the blowers at wastewater treatment plant nos. 1 and 2 (the "Amended Resolution"). She informed the Board the initial resolution did not account for the prior use of \$61,267 of funds previously allocated to the purchase of encoder receiver transmitters.

After discussion, a motion was made by Director Farley to adopt the Amended Resolution. The motion was seconded by Director Williams and carried by unanimous vote.

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 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 94% for April.

After discussion, a motion was made by Director Addicks 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 insulation has been installed in the administration and operation buildings and the sprinkler line was relocated from the Old Richmond Road right-of-way due to the road expansion work near Pheasant Creek Drive.

After discussion, a motion was made by Director Addicks 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 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 next stated that the electronic payment processing system is expected to be operational by July 5.

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 the District's auditors did not find any reportable issues from the interim audit.

After discussion, a motion was made by Director Farley to accept the Bookkeeper's Report and authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. 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; 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.

EXECUTIVE SESSION

At 6:00 p.m., the Board convened in Executive Session.

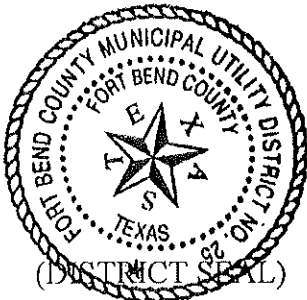
RECONVENE

At 6:15 p.m., the Board reconvened in open session. No action was taken after the Executive Session.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 15th day of June, 2023.





Secretary, Board of Directors

https://sdlawfirms.sharepoint.com/sites/S-D_Data/Sechrist/Sechrist_Shared/FB25/Minutes/2023/5,18.23 Minutes.docx

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