

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

January 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 18th day of January, 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; Mary Moore Hayes (by Zoom), Assistant Executive General Manager; Dominique Reddick, Director of Financial Services; Tyler Bridges, Construction and Maintenance Manager; Daniel Perez, Information Technology (“IT”) Department; Terrie Sechrist with Sechrist Duckers LLP, attorneys for the District; Hector Pena and Chris Canonico (by Zoom) with Ardurra Group, LLC (“Ardurra”), engineers for the District; Daniel Hebert (by Zoom) with Belt Harris Pechacek, LLP (“BHP”), auditor for the District; and Deputy Rodney Rodriguez with the Fort Bend County Sheriff’s Office

MINUTES

The Board first considered approval of the minutes of its regular meeting held on December 14, 2023. After discussion, Director Farley made a motion to approve the minutes of the December 14, 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. Pena reported that bids for the Lift Station Nos. 6 and 11 project to serve the Windsor Estates apartments will be advertised next month. 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 next presented the Tax Assessor/Collector's Report for December (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. She reported that 24.55% of the District's 2023 taxes and 99.26% of the District's 2022 taxes had been collected as of December 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.

AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023

Mr. Hebert then presented the District's Annual Financial Report for the fiscal year ending September 30, 2023, prepared by BHP (the "Audit"). After discussion, Director Addicks moved that the Board (i) accept the Audit, subject to final review by District staff and the District's attorney, (ii) authorize the filing of the Audit with the Texas Commission on Environmental Quality, and (iii) authorize the filing of the Audit and other secondary disclosure documents in accordance with SEC Rule 15c2-12. 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**
- B. Capacity analysis**
- C. Authorize and/or approve Bond application reports**
- D. Construction of non-capital projects**
- E. Coordination of projects with Project Management Engineer**
- F. Developer projects, new development and requests for service**
- 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 these agenda items.

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

Mr. Pena next presented Pay Application No. 2 submitted by McDonald Municipal and Industrial, Inc. (“McDonald”), in the amount of \$13,500.00 for the chlorine room rehabilitation project at water plant nos. 1-4 (the “Chlorine Room Rehabilitation Project”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Pay Application No. 2 submitted by Industrial TX Corp. (“Industrial”) in the amount of \$20,805.00 for Phase 2 of the rehabilitation project at wastewater treatment plant nos. 1 and 2 (the “Phase 2 STP Rehabilitation Project”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Change Order No. 2 to the contract with McDonald 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”) in the deduct amount of (\$20,000). 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**
- J. Grant or consent to easements over District property**
- K. Review status of the developments within the District**
- L. Review summary of pending projects, including the status thereof**
- M. Procedures planned for remediation and recovery**
- N. Evaluation planned to determine status of storm drainage systems**
- O. Reimbursement and payment options**

Mr. Pena stated that he had no information to report under these agenda items.

After discussion, Director Farley made a motion to:

- (i) accept the Engineer’s Report;
- (ii) approve Pay Application No. 2 from McDonald in the amount of \$13,500 for the Chlorine Room Rehabilitation Project;
- (iii) approve Pay Application No. 2 from Industrial in the amount of \$20,805 for the Phase 2 STP Rehabilitation Project; and
- (iv) approve Change Order No. 2 to the Generator Replacements at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4 Project.

Director Williams seconded the motion, which passed unanimously.

ATTORNEY’S REPORT

Ms. Sechrist next discussed the upcoming Directors Election.

- 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
- B. Approval of utility commitment letters
- C. Approval of developer reimbursement agreements
- 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
- E. Approval of the audit of reimbursements to be made to a developer from the proceeds of the sale of the District's Bonds
- F. Adopt amendments to the District's Rate Order

Ms. Sechrist stated that she had no further information to report under these agenda items.

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.

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 92% for December. He also reported that a new generator recently was installed at Lift Station No. 5.

After discussion, a motion was made by Director Addicks 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 information to report under these agenda items.

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 Report and other information to include:

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

Mr. Perez stated that he had no information to report under these agenda items.

E. Financial Services Report, including:

Mr. Reddick first reported that the District’s electricity contract is up for renewal at the end of February. He stated that he would compare rates from various providers and present a recommendation at the February Board meeting.

Mr. Reddick then reported that BHP has requested that the minutes of the Board’s November 16, 2023, be revised to reflect that the \$200,000 certificate of deposit (“CD”) at Industry State Bank that matured was reinvested in a \$900,000 CD at Industry State Bank. After discussion, a motion was made by Director Farley to amend the minutes of the Board’s November 16, 2023, meeting to reflect the reinvestment of a \$200,000 from a matured CD at Industry State Bank was

reinvested in a \$900,000 CD at Industry State Bank. The motion was seconded by Director Turner and carried unanimously.

(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”**.

After discussion, a motion was made by Director Farley to (i) accept the Bookkeeper’s Report, and (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. Director Addicks seconded the motion, which carried by unanimous vote.

(ii) Review and approve first Quarter Budget Adjustments.

Mr. Reddick informed the Board that no first quarter adjustments were made to the District’s 2023-2024 budget.

(iii) Review Investment Policy.

The Board next conducted its yearly review of the District’s Investment Policy, as required by statute. After discussion, Director Farley moved that the Board adopt a Resolution Confirming Investment Policy for the District. Director Williams seconded the motion and it carried unanimously.

(iv) Adopt a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District

Ms. Sechrist next presented a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District (the “Qualified Brokers Resolution”). After discussion, Director Farley moved that the Board adopt the Qualified Brokers Resolution. Director Turner seconded the motion and it carried unanimously.

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.**

Ms. Ruvalcaba stated that she had no information to report on these agenda items.

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) **Review and approve first quarter result of Group Goals for fiscal year 2023-2024;**
- (vi) **Status of GRP Subsidence report;**
- (vii) **Approval Annual Drought Contingency Plan; and**
- (viii) **Risk Management items.**

Ms. Ruvalcaba next presented the first quarter results of the Group Goals for fiscal year 2023-2024. She reported that all of the goals are on track to be met.

Ms. Ruvalcaba then presented a Drought Contingency Plan (the “Drought Contingency Plan”) for the Board’s review and approval. She informed the Board that no changes were made from the prior year’s plan.

After discussion, a motion was made by Director Farley to: (a) accept the Risk Management Report, (b) approve the first quarter results of the Group Goals for fiscal year 2023-2024; and (c) approve the Drought Contingency Plan, as presented. The motion was seconded by Director Addicks and carried by unanimous vote.

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).**

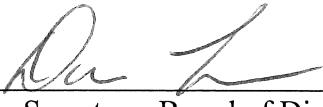
Ms. Ruvalcaba and Ms. Hayes stated that they had no information to report under these agenda items.

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

PASSED, APPROVED, and ADOPTED this 15th day of February, 2024.

(DISTRICT SEAL)




Secretary, Board of Directors

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