

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

December 14, 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 14th day of December, 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
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, except Director Farley, 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 and Chris Canonico (by Zoom) with Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson with Assessments of the Southwest ("ASW"), tax assessor/collector for the District; Jason Kall, Nicole Foster (by Zoom), and Dietri Spears Harrison (by Zoom) with the Orchard Lake Estates Homeowners' Association (the "OLE HOA"); Jessica Brown with Spectrum Association Management, the property manager for the OLE HOA; 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 November 16, 2023. After discussion, Director Williams made a motion to approve the minutes of the November 16, 2023, Board meeting, as amended. Director Turner seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Discussion then ensued with representatives of OLE HOA regarding the status of the sewer main repair on Lake Ridge Canyon in Orchard Lake Estates.

DEVELOPER'S REPORT

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

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for November (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 6.46% of the District's 2023 taxes and 99.19% of the District's 2022 taxes had been collected as of November 30, 2023.

After discussion, Director Addicks 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. 3 from Gilleland Smith Construction, Inc. (“Gilleland”) in the amount of \$117,000 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 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. 1 submitted by Industrial TX Corp. (“Industrial”) in the amount of \$234,650.00 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 then presented Pay Application No. 1 and Final submitted by C-C Water Services, LLC (“C-C”), in the amount of \$161,970.00 for the rehabilitation of water well no. 2 (the “Water Well No. 2 Rehabilitation 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 Addicks made a motion to:

- (i) accept the Engineer's Report;
- (ii) approve Pay Application No. 3 from Gilleland in the amount of \$117,000 for the Hydro Tank Project;
- (iii) approve Pay Application No. 1 from McDonald in the amount of \$13,500 for the Chlorine Room Rehabilitation Project;
- (iv) approve Pay Application No. 1 from Industrial in the amount of \$234,650 for the Phase 2 STP Rehabilitation Project; and
- (v) approve Pay Application No. 1 and Final from C-C in the amount of \$161,970 for the Water Well No. 2 Rehabilitation Project.

Director Williams seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist reported that on November 22, 2023, Director Scott Thomas closed on the sale of his home in Orchard Lake Estates and thus no longer qualifies to serve as a director of the District.

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 Turner 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 November.

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 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 Addicks to terminate water service after the Christmas 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 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 this agenda item.

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 informed the Board that the 2023 audit should be available for the Board’s review by its December meeting.

After discussion, a motion was made by Director Addicks 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:

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.

EXECUTIVE SESSION

At 5:58 p.m., the Board convened in Executive Session.

RECONVENE

At 6:10 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.

PASSED, APPROVED, and ADOPTED this 18th day of January, 2024.



(DISTRICT SEAL)

Secretary, Board of Directors

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