

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

February 15, 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 15th day of February, 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; Jack Murdock, System Administrator; Terrie Sechrist with Sechrist-Duckers LLP, attorneys for the District; Hector Pena with Ardurra Group, LLC ("Ardurra"), engineers for the District; David Patterson (by Zoom) with Assessments of the Southwest ("ASW"), tax assessor and collector for the District; David Quinn with Public Power Pool ("PPP"); Tanveer Moosa, President of Park Pointe Homeowners Association; 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 January 18, 2024. After discussion, Director Farley made a motion to approve the minutes of the January 18, 2024, Board meeting, as presented. Director Turner seconded the motion and it carried unanimously.

PUBLIC COMMENTS

No comments were received from members of the public.

DEVELOPER'S REPORT

Mr. Pena stated that he had no information to report under this agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for January (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 77.38% of the District's 2023 taxes and 99.26% of the District's 2022 taxes had been collected as of January 31, 2024.

After discussion, Director Williams 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 Farley 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"**.

He first presented three Task Orders for the Board's approval: (i) Task Order E-59A for engineering fees relating to the extension of a new 8" reuse line to also supply reuse water to the existing irrigation systems in the FM 1464 median (the "Reuse Line Median Project"), in an amount not to exceed \$43,000; (ii) Task Order No. E-62 for engineering fees relating to repairs to existing sanitary sewer manholes and sidewalks in several subdivisions in the District (the "Manhole Rehabilitation Project") in an amount not to exceed \$23,310; and (iii) Task Order No. E-63 for engineering fees related to the rehabilitation of the existing Water Plant No. 4 (the "WP4 Rehabilitation Project") in an amount not to exceed \$18,500.

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 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. 4 from Gilleland Smith Construction, Inc. (“Gilleland”) in the amount of \$58,500.00 for the new hydropneumatics 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 pursuant to Work Order No. 1 submitted by PM Construction and Rehab, LLC (“PM Construction”), in the amount of \$84,503.45 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 from Gilleland in the amount of \$284,850.00 for the replacement of headworks equipment at Wastewater Treatment Plant No. 2 (the “Phase 2 STP Rehabilitation Project”). He informed the Board that Ardurra recommends approval of this Pay Estimate.

I. Grant or consent to easements over District property

Mr. Pena stated that he had no information to report on this agenda item.

J. Review status of the developments within the District

Mr. Pena stated that he had no information to report on this agenda item.

K. Review summary of pending projects, including the status thereof

Mr. Pena stated that he had no further information to report on this agenda item.

L. Procedures planned for remediation and recovery

Mr. Pena stated that he had no information to report on this agenda item.

M. Evaluation planned to determine status of storm drainage systems

Mr. Pena stated that he had no information to report on this agenda item.

N. 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. 4 from Gilleland in the amount of \$58,500.00 for the Hydro Tank Project;
- (iii) approve Pay Application No. 5 from PM Construction in the amount of \$84,503.45 for the Sanitary Sewer Rehabilitation Annual Service Project;
- (iv) approve Pay Application No. 1 from Gilleland in the amount of \$284,850.00 for the Phase 2 STP Rehabilitation Project; and
- (v) approve engineering fees related to Task Order E-59A for the Reuse Line Median Project at a cost not to exceed \$43,000.00, Task Order E-62 for the Manhole Rehabilitation Project at a cost not to exceed \$23,310.00, and Task Order E-63 for the WP4 Rehabilitation Project at a cost not to exceed \$18,500.00, subject to review by the District's attorney and District staff.

Director Williams seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist next presented the Attorney's Report.

ORDER CALLING DIRECTORS ELECTION

Ms. Sechrist first discussed the upcoming May 4, 2024 election for three (3) director positions (the "Directors Election"). She informed the Board that the terms of office for Directors Farley and Turner, as well as Scott Thomas' vacant position, expire in May. She also informed the Board that as of the date of the meeting, six (6) candidate applications had been received so an election on May 4 is necessary. She further stated that the deadline to submit a candidate application is 5:00 p.m. on February 16, 2024.

Ms. Sechrist then presented an Order Calling Directors Election (the "Election Order"), which sets forth all legal requirements to elect three (3) directors on May 4. After discussion, Director Farley moved that the Board adopt the Election Order. Director Turner seconded the motion, which carried unanimously.

APPOINTMENT OF AN ELECTION AGENT

The Board next considered the appointment of an agent for the Directors Election. After discussion, Director Farley made a motion to appoint Erica Rhodes as the District's agent to perform election duties for the Directors Election. Director Addicks seconded the motion which carried unanimously.

ESTABLISH COMPENSATION TO BE PAID ELECTION OFFICIALS

The Board next considered establishing a rate of pay for the election officials. After discussion, Director Farley made a motion to pay the District's elections officials the same rate of pay established by Fort Bend County for its elections officials. Director Addicks seconded the motion, which 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. Consider engaging Public Power Pool to solicit electricity contracts for the District’s facilities and the adoption of an Order in connection therewith.

Mr. Quinn next presented a proposal from Public Power Pool (“PPP”) to solicit electricity contracts for the District’s facilities for the 22 month period from March 2024 to December 2025. Mr. Reddick then discussed his due diligence in exploring other options.

After discussion, Director Farley made a motion to approve the Minute Order presented by Mr. Quinn, pursuant to which the District agrees to join PPP and appoints Mr. Reddick as the District’s representative, subject to attorney review. Director Turner seconded the motion, which passed unanimously.

After further discussion, a motion was made by Director Farley to accept the Attorney’s Report. 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;**
- (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 93% for January.

After discussion, a motion was made by Director Williams to accept the Field Operations Report. Director Farley 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, a copy of which is attached hereto as part of **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 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. Murdock 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 “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 Turner seconded the motion, which carried by unanimous vote.

(ii) **Review and approve first Quarter Budget Adjustments.**

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.**

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 AWBD Water Smart Application Resolution;**

Ms. Ruvalcaba then requested approval of an AWBD Water Smart Application Resolution. After discussion, Director Farley made a motion to approve the Resolution, which was seconded by Director Turner and passed unanimously.

(vi) **Risk Management items.**

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

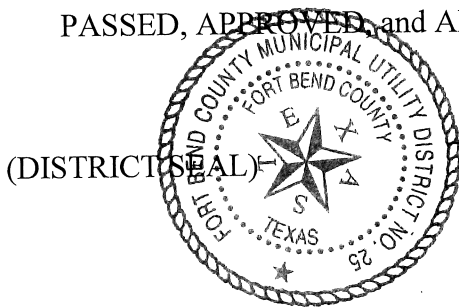
H. Executive Management Reports to include Financial/Budget, Group Goals, Strategic, Legal, Engineering, Project and Future Strategic Planning updates, including:

- (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 21st day of March, 2024.



Secretary, Board of Directors

LIST OF ATTACHMENTS

	Minutes
	<u>Page</u>
tax assessor/collector’s report.....	2
delinquent tax attorney’s report.....	2
engineer’s report.....	2
field operations report; construction and projects summary report.....	6
penalty register	7
bookkeeper’s report	8