

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

September 21, 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 21st day of September, 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 Director Thomas and Williams, 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; Manny Perez, Information Technology ("IT") Department; Terrie Sechrist with Sechrist·Duckers LLP, attorneys for the District; David Patterson with Assessments of the Southwest ("ASW"), tax assessor/collector for the District; Chris Canonico (by Zoom) with Ardurra Group, LLC ("Ardurra"), engineers for the District; Greg Lentz with Masterson Advisors, LLC ("Masterson"), financial advisors 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 August 17, 2023. After discussion, Director Farley made a motion to approve the minutes of the August 17, 2023, 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. Bridges next reported that the sanitary sewer lines to serve the Windsor Estates Apartment Project have been installed and installation of the water lines has begun. After discussion, a motion was made by Director Addicks to accept the Developer's Report. The motion was seconded by Director Turner and carried by a unanimous vote.

FINANCIAL ADVISOR'S REPORT

Mr. Lentz next presented the Financial Advisor's Report (the "Financial Advisor's Report").

A. **Review and consider approval of the Official Notice of Sale and Preliminary Official Statement in connection with the District's Series 2023A Unlimited Tax Bonds and authorize distribution of same**

Mr. Lentz first presented and reviewed with the Board the Official Notice of Sale and Preliminary Official Statement for the District's \$3,470,000 Unlimited Tax Bonds, Series 2023A (the "Series 2023A Bonds"). After discussion, Director Farley moved that the Board (i) approve the Official Notice of Sale and Preliminary Official Statement for the Series 2023A Bonds, subject to the review of and comments by the Board, District staff, and District consultants, and authorize the distribution of same. Director Addicks seconded the motion, which passed unanimously.

B. **Designate a date, time, and place for the sale of the District's Series 2023A Unlimited Tax Bonds and authorize the District's Financial Advisor to advertise the sale of same**

The Board next discussed setting a date for the sale of the Series 2023A Bonds. After discussion, Director Farley moved that the Board sell the Series 2023A Bonds on Thursday, October 19, 2023, at 5:30 p.m. and authorize Masterson to advertise such sale as required by law. Director Addicks seconded the motion, which passed unanimously.

C. **Designate a Paying Agent/Registrar in connection with the District's Series 2023A Unlimited Tax Bonds**

The Board then considered designating a paying agent/registrar for the Series 2023A Bonds. Mr. Lentz informed the Board that Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas ("Zions Bank"), currently serves as the paying agent/registrar for several of the District's bond issues. After discussion, Director Farley moved that the Board designate Zions Bank as the Paying Agent/Registrar for the Series 2023A Bonds. Director Addicks seconded the motion, which carried unanimously.

D. **Authorize application to Moody's Investors Service for a credit rating on the District's Series 2023A Bonds**

Mr. Lentz next requested approval to file an application with Moody's Investors Service ("Moody's") for a credit rating on the District's Series 2023A Bonds (the "Credit Rating Application") After discussion, a motion was made by Director Farley to authorize Masterson to prepare and file a credit rating application with Moody's. The motion was seconded by Director Addicks and carried by unanimous vote.

Ms. Sechrist next presented for the Board's approval a proposal from Orrick, Herrington & Sutcliffe, LLP ("Orrick"), for special tax counsel services related to the Series 2023A Bonds. She explained that Orrick will prepare the Federal Tax Certificate and Internal Revenue Service Form 8038G and perform other

necessary tax work and analysis required in connection with the Series 2023A Bonds. After discussion, Director Farley moved that the Board approve the proposal for special tax counsel services from Orrick. Director Addicks seconded the motion, which carried unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson next presented the Tax Assessor/Collector's Report for August (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 98.89% of the District's 2022 taxes and 99.65% of the District's 2021 taxes had been collected as of August 31, 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 Addicks and carried by unanimous vote.

PUBLIC HEARING ON DISTRICT'S 2023 TAX RATE

Director Farley next opened a public hearing on the District's 2023 proposed tax rate. No comments were received from the public and the hearing was closed.

ORDER LEVYING TAXES FOR 2023

The Board then considered adopting a 2023 debt service tax and maintenance tax. After discussion, Director Addicks moved that the Board adopt an order levying a debt service tax of \$0.635 per \$100 of assessed valuation and a maintenance tax of \$0.219 per \$100 of assessed valuation, for a total 2023 District tax rate of \$0.854 per \$100 of assessed valuation. The motion was seconded by Director Turner and carried by unanimous vote.

AMENDED DISTRICT INFORMATION FORM

The Board next considered approving an Amended District Information Form reflecting the District's 2023 tax rate. After discussion, Director Addicks moved that the Board approve the Amended District Information Form and authorize its filing in the Fort Bend County Real Property Records and with the Texas Commission on Environmental Quality (the "TCEQ"). Director Farley seconded the motion and it carried unanimously.

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

B. Capacity analysis

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

C. Authorize and/or approve Bond application reports

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

D. Construction of non-capital projects

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

E. Coordination of projects with Project Management Engineer

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

F. Developer projects, new development and requests for service

Mr. Canonico 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. Canonico next informed the Board that two (2) bids had been received for the chlorine room rehabilitation project at Water Well Nos. 1 through 4 (the "Project"). He stated that Ardurra recommends that the District award the contract for the Project to the apparent lowest bidder, McDonald Municipal & Industrial ("McDonald"), in the amount of \$340,469.00.

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

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

I. Grant or accept site and/or easement conveyances for facilities constructed or to be constructed for or on behalf of the District

Mr. Canonico next presented a Sanitary Sewer Easement from O.O. Community Association Inc. and a Sanitary Sewer Easement from Windsor Estates Homeowners Association for the Windsor Estates Apartment Project (collectively, the "Sanitary Sewer Easements").

J. Grant or consent to easements over District property

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

K. Review status of the developments within the District

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

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

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

M. Procedures planned for remediation and recovery

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

N. Evaluation planned to determine status of storm drainage systems

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

O. Reimbursement and payment options

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

After discussion, Director Farley made a motion to accept (i) the Engineer's Report and (ii) accept the Sanitary Sewer Easements. Director Addicks seconded the motion, which passed unanimously.

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 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 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; 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 August.

After discussion, a motion was made by Director Farley to accept the Field Operations Report and the Construction and Projects Summary Report. Director Addicks 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 additional 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. 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 Turner 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. Perez 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 also reported that the District auditor will be on site from October 30 through November 3 to review the District's financial documents in connection with preparing the 2023 fiscal year audit.

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.

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 and Ms. Hayes stated that they had no information to report under this agenda item.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 19th day of October, 2023.





Secretary, Board of Directors

LIST OF ATTACHMENTS

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