

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

March 21, 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 21st day of March 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; Dominique Reddick, Director of Financial Services; Tyler Bridges, Construction and Maintenance Manager; Jack Murdock, Director of Information Technology; Terrie Sechrist with Sechrist Duckers LLP, attorneys for the District; Hector Pena (by Zoom) with Ardurra Group, LLC (“Ardurra”), engineers for the District; Chris Canonico (by Zoom) with Ardurra; David Patterson (by Zoom) with Assessments of the Southwest (“ASW”), tax assessor and collector for the District; Greg Lentz (by Zoom) with Masterson Advisors LLC, financial advisor 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 February 15, 2024. After discussion, Director Farley made a motion to approve the minutes of the February 15, 2024, 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 stated that he had no information to report under this agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then 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 94.72% of the District's 2023 taxes and 99.29% of the District's 2022 taxes had been collected as of February 29, 2024.

Mr. Patterson next presented a request by the owner of the property at 5326 Mornington Drive for the waiver of \$267.00 in penalties and interest incurred because of a late tax payment (the "Waiver Request").

After discussion, Director Williams moved that the Board (i) accept the Tax Report, (ii) authorize payment of all disbursements listed thereon or otherwise presented at the meeting, and (iii) deny the Waiver Request. The motion was seconded by Director Addicks and carried by unanimous vote.

A. Consider granting exemptions from taxation for tax year 2024 and the adoption of a resolution in connection therewith

Ms. Sechrist next outlined for the Board the various tax exemptions available under the Texas Tax Code for the District to grant to landowners within the District's boundaries. She informed the Board that last year it granted an exemption of \$10,000 of the appraised value of the residence homestead of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or who are sixty-five (65) years of age or older (the "Disabled/Over 65 Exemption"). After discussion, Director Farley moved that the Board adopt a Resolution Concerning Exemptions from Taxation that (i) grants a \$15,000 Disabled/Over 65 Exemption for tax year 2024 and (ii) adopts a general residential homestead exemption of one percent (1%), with a minimum exemption of \$5,000, of the appraised value of a residence homestead. Director Turner seconded the motion, which carried unanimously.

B. Adopt a Resolution Authorizing Additional Penalty on Delinquent Taxes

The Board next considered adopting a resolution that authorizes the imposition of an additional penalty of 20% on tax accounts that are not paid in accordance with the Texas Tax Code (the "Additional Penalty Resolution"). Ms. Sechrist reminded the Board that the additional penalty would be used to pay the District's delinquent tax attorney. After discussion, upon a motion made by Director Farley and seconded by Director Turner, the Board voted unanimously to adopt the Additional Penalty Resolution.

C. Adopt a Resolution Concerning Tax Collection Procedures

Ms. Sechrist next outlined for the Board the various tax collection procedures available to the District. She reported that the Board has the option of rejecting or permitting: (i) the District to refrain from sending a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00

or more; (ii) the split payment of taxes; and (iii) discounts for the early payment of taxes. After discussion, Director Farley moved that, for tax year 2024, the Board adopt a Resolution Concerning Tax Collection Procedures that rejects: (i) the option to not send a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00; (ii) the option to allow the split payment of taxes; and (iii) the option to offer discounts for the early payment of taxes. Director Turner seconded the motion, which 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. 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 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 Industrial TX Corp. (“Industrial”) in the amount of \$118,275.00 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. 2 from Gilleland Smith Construction, Inc. (“Gilleland”) in the amount of \$2,250.00 for the replacement of headworks equipment at wastewater treatment plant no. 2 (the “STP 2 Headworks Equipment Replacement 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. 3 from Industrial in the amount of \$118,275.00 for the Phase 2 STP Rehabilitation Project; and
- (iii) approve Pay Application No. 2 from Gilleland in the amount of \$2,250.00 for the STP 2 Headworks Equipment Replacement Project.

Director Turner 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 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 then presented an amended resolution to the Texas Commission on Environmental Quality (the "Surplus Funds Resolution") for a change in use and release of surplus funds in the total amount of \$2,251,500 to pay (i) the costs for the detention pond regrade project (\$56,500.00), and (ii) a portion of the costs (\$2,195,000) for the wastewater treatment plant rehabilitation phase II project. After discussion, a motion was made by Director Addicks to adopt the Surplus Funds Resolution. The motion was seconded by Director Turner 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 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 an annual review of the prevailing wage rate scale for construction projects and consider authorizing survey of wages.

Ms. Sechrist next advised the Board that Chapter 2258 of the Texas Government Code requires that each year, the District determine the general prevailing rate of per diem wages for certain crafts and types of workers on District construction projects and the general prevailing rate of per diem wages for legal holiday and overtime work. After discussion, a motion was made by Director Williams to authorize the District's attorney to conduct a survey of the wages received by classes of workers employed on public works projects of Fort Bend County, the City of Houston, and the United States Department of Labor. The motion was seconded by Director Farley and carried by unanimous vote.

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;**
- (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 first 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 94% for February.

Mr. Bridges next reported that a safety violation recently occurred when a District employee slipped in spilled polymer. He reported that the employee saw the spill and attempted to remove it, but he used an incorrect cleaning method. He informed the Board that a safety training session was held on the correct method of cleaning of spills.

B. Building Maintenance and Landscaping/Grounds Maintenance Items, including:

- (i) General building items; and**
- (ii) General landscape and grounds items.**

Mr. Bridges next reported that the swale at the Stratford Park detention pond would be re-graded.

After discussion, a motion was made by Director Farley to accept the Field Operations, Building Maintenance, and Projects reports. Director Addicks seconded the motion, which 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, 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 Williams 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. Nguyen 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”**. The Board also requested Mr. Reddick prepare a water bill comparison study for review at the April Board meeting.

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 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.**
(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) **Risk Management items.**

Ms. Ruvalcaba next reported that a water conservation plan would be presented for the Board’s review at its April meeting.

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).**

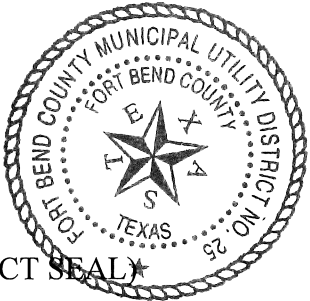
Ms. Ruvalcaba stated that she had no information to report under these agenda items.

CONVENE IN EXECUTIVE SESSION TO DELIBERATE, REVIEW AND DISCUSS EMPLOYEE MATTERS

At 6:53 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 7:18 p.m. No action was taken.

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

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





Secretary, Board of Directors

LIST OF ATTACHMENTS

	Minutes
	<u>Page</u>
tax assessor/collector's report.....	2
delinquent tax attorney's report.....	3
engineer's report.....	3
field operations report; construction and projects summary report.....	6
penalty register	7
bookkeeper's report	8