

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

May 16, 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 16th day of May, 2024, at a regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Jeffery Williams	President
Syed Wasim	Vice President
Mustafa Asif	Assistant Vice President
Brian Addicks	Secretary/Investment Officer
Jabirul Quadir	Assistant Secretary

and all of said persons were present, except Director Quadir, 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; David Nguyen, Information Technology (“IT”) Department; Terrie Sechrist with Sechrist-Duckers LLP, attorneys for the District; Hector Pena and Chris Canonico with Ardurra Group LLC (“Ardurra”), engineers for the District; David Patterson with Assessments of the Southwest (“ASW”), tax assessor and collector for the District; Mary Moore Hayes (by Zoom), District consultant; Ella Guillory (by Zoom) and Brian Ives, residents of 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 April 18, 2024, and of its special meeting held on May 9, 2024. After discussion, Director Williams made a motion to approve the minutes of the April 18 and May 9, 2024, Board meetings as presented. Director Addicks seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Ms. Guillory next addressed the Board. She requested that the area around the retention pond in the Chelsea Harbour subdivision be mowed, that mosquito spraying in the Chelsea Harbour subdivision be carried out between 9:00 p.m. and 11:00 p.m., and that the mowing services along FM 1464 be provided more frequently. Mr. Bridges stated that the Chelsea Harbour HOA is the entity responsible for mowing around the retention pond, that

Fort Bend County is the entity responsible for mosquito spraying, and the District mows the esplanades on FM 1464 weekly and trims the vegetation in the middle monthly.

DEVELOPER'S REPORT

Mr. Pena and Mr. Canonico then presented the Developer's Report. Mr. Canonico reported that the water meter and backflow preventers for the Windsor Estates Apartment Project (the "Windsor Estates Project") have been installed and all water and fire lines servicing the Windsor Estates Project have been connected to the District's system.

After discussion, a motion was made by Director Williams to accept the Developer's Report. The motion was seconded by Director Addicks and carried by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then presented the Tax Assessor/Collector's Report for April 2024 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 96.73% of the District's 2023 taxes and 99.41% of the District's 2022 taxes had been collected as of April 30, 2024. He also informed the Board that the 2024 preliminary value for the District is \$1,742,159.

Mr. Patterson next reported that a returned check for a large tax payment caused the tax account to briefly have a negative balance. He requested authorization to keep a minimum \$75,000 balance in the tax account to avoid a similar situation in the future. After discussion, Director Williams made a motion to authorize ASW to maintain a District tax account balance of \$75,000. The motion was seconded by Director Addicks and carried by unanimous vote.

After further discussion, Director Williams made a motion to (i) accept the Tax Report, and (ii) authorize payment of all disbursements listed thereon or otherwise presented at the meeting. Director Asif seconded the motion, and it carried unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Ruvalcaba next presented the Delinquent Tax Attorney's Report (the "Delinquent Tax Attorney's Report") prepared by Larson & Weisinger, a copy of which is attached hereto as **Exhibit "B"**. She reported that Larson & Weisinger had no updates to report under this agenda item.

After discussion, Director Addicks made a motion to accept the Delinquent Tax Attorney's Report. Director Wasim seconded the motion, and it carried unanimously.

ENGINEER'S REPORT

Mr. Pena and Mr. Canonico next presented the 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 on this agenda item.

B. Capacity analysis

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

C. Authorize and/or approve Bond application reports

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

D. Construction of non-capital projects

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

E. Coordination of projects with Project Management Engineer

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

F. Developer projects, new development, and requests for service

Mr. Canonico stated that he had no information to report on 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 stated that he had no information to report on 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. 5 submitted by Industrial TX Corp. ("Industrial") in the amount of \$829,414.33 for the second phase of the rehabilitation of wastewater treatment plant nos. 1 and 2 (the "WWTP Nos. 1 and 2 Phase 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. Canonico stated that he had no information to report on this agenda item.

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 information to report on this agenda item.

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

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

After discussion, Director Williams made a motion to:

- (i) accept the Engineer's Report; and
- (ii) approve Pay Application No. 5 from Industrial in the amount of \$829,414.33 for the WWTP Nos. 1 and 2 Phase 2 Rehabilitation Project.

Director Addicks seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist then presented the Attorney's Report. She first discussed with the Board an Amended Resolution Regarding Account Expenditures (the "Amended Expenditures Resolution"). She informed the Board that the prior resolution is being amended to remove Ms. Hayes as an authorized signatory on District accounts, now that she is a District consultant, and add Brenda Tamez, the District's Billing and Collections Supervisor, as an authorized account signatory.

After discussion, a motion was made by Director Williams to (i) accept the Attorney's Report and (ii) adopt the Amended Expenditures Resolution. The motion was seconded by Director Addicks and unanimously approved.

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 on this agenda item.

B. **Approval of utility commitment letters**

Ms. Sechrist stated that she had no information to report on 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 information to report on this agenda item.

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 98% for April.

Mr. Bridges next reported on an incident involving water in a home within the District due to actions/inactions of the Operations team. He reported that a Standard Operating Procedure has been created to prevent similar incidents in the future and that the homeowner's damage claim has been submitted to the District's insurance company.

- 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.

After discussion, a motion was made by Director Williams to accept the Field Operations, Building Maintenance, and Construction and Projects reports. Director Wasim 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 **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 Addicks 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 then presented the IT Report. He stated that the IT Department is working on adjustments to the Smart Payment System so that customer payments are reflected as made instead of after a new water bill is generated.

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, the investment report prepared in accordance with the Public Funds Investment Act, and an Addendum Report of ledger items from May 1 to May 15 (collectively, the “Bookkeeper’s Report”). A copy of the Bookkeeper’s Report is attached hereto as **Exhibit “F”**.

Mr. Reddick next reported that a \$900,000 certificate of deposit with Industry State Bank, with an interest rate of 4.69%, matures on June 11 (the “CD”). He

requested the Board's approval to renew the CD with Industry State Bank at a rate of 4.70% for a term of five (5) months (the "Rollover CD").

After discussion, a motion was made by Director Williams to (i) accept the Bookkeeper's Report, (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting, and (iii) approve the Rollover CD. Director Wasim 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.; and
- (iii) Review and approve second quarter result of Group Goals for fiscal year 2023-24.

Ms. Ruvalcaba stated that she had no information to report under 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) Approve the five year "Water Conservation Plan": and
- (vi) Risk Management items.

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

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

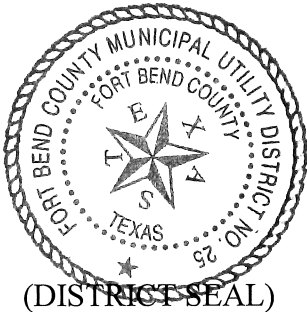
At 6:25 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:45 p.m.

After discussion, a motion was made by Director Williams to authorize Ms. Sechrist to prepare letters to owners of property where grease has been discovered regarding the possible imposition of a \$5,000 fine for Rate Order violations. Director Wasim seconded the motion, and it carried unanimously.

OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 20th day of June, 2024.





Secretary, Board of Directors

LIST OF ATTACHMENTS

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