

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

June 20, 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 20th day of June, 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 (with Director Quadir appearing by Zoom), except Director Addicks, thus constituting a quorum.

Also present during all or a portion of the meeting were: 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 and collector for the District; Teresa Flores (by Zoom) with Inframark (“Inframark”), representing Chelsea Harbour 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 May 16, 2024. After discussion, Director Williams made a motion to approve the minutes of the May 16, 2024, Board meeting as presented. Director Wasim seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Ms. Flores next addressed the Board. She requested sidewalk repairs be made within the Chelsea Harbour subdivision. Mr. Bridges informed her that the homeowner’s association is responsible for the sidewalks, not the District.

DEVELOPER’S REPORT

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

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then presented the Tax Assessor/Collector's Report for May 2024 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 96.94% of the District's 2023 taxes and 99.41% of the District's 2022 taxes had been collected as of May 31, 2024.

After discussion, Director Asif 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 Wasim seconded the motion, and it carried unanimously.

DELINQUENT TAX ATTORNEY'S REPORT

Mr. Reddick 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"**. He reported that Larson & Weisinger prepared a list of delinquent tax accounts that were eligible for water termination (the "Water Termination List").

After discussion, Director Williams made a motion to (i) accept the Delinquent Tax Attorney's Report, and (ii) approve the Water Termination List and authorize the termination of water service to those accounts listed thereon pursuant to Section 49.212(c) of the Texas Water Code. Director Wasim seconded the motion, and it carried unanimously.

ENGINEER'S REPORT

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

B. Capacity analysis

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

C. Authorize and/or approve Bond application reports

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

D. Construction of non-capital projects

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

E. Coordination of projects with Project Management Engineer

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

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

Mr. Pena 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. Pena next informed the Board that one (1) bid was received for the purchase and replacement of a natural gas generator at Water Well No. 4 (the "Water Well No. 4 Generator Replacement Project") from McDonald Municipal and Industrial, Inc. ("McDonald"), in the amount of \$383,469.00. He stated that Ardurra recommends that the contract for the Water Well No. 4 Generator Replacement Project be awarded to McDonald.

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 submitted by McDonald in the amount of \$69,855.30 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. 6 submitted by Industrial TX Corp. ("Industrial") in the amount of \$294,968.35 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 next presented Pay Application No. 2 in the amount of \$291,780.00 and Pay Application No. 3 in the amount of \$56,520.00 submitted by McDonald for the generator replacement project at Water Well Nos. 1 and 2 and Lift Station Nos. 1, 3 and 4 (the "Generator Replacements at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4 Project"). He informed the Board that Ardurra recommends approval of these Pay Estimates.

After discussion, Director Asif made a motion to:

- (i) approve Pay Application No. 3 from McDonald in the amount of \$69,855.30 for the Chlorine Room Rehabilitation Project;
- (ii) approve Pay Application No. 6 from Industrial in the amount of \$294,968.35 for the Phase 2 STP Rehabilitation Project;

- (iii) approve Pay Application No. 2 from McDonald in the amount of \$291,780.00 and Pay Application No. 3 from McDonald in the amount of \$56,520.00 for the Generator Replacements at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4 Project; and
- (iv) award the contract for the Water Well No. 4 Generator Replacement Project to McDonald subject to the approval by the District's attorney of the payment and performance bonds and insurance certificates submitted in connection therewith to determine if they meet the requirements of the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality and the provisions the Texas Water Code.

The motion was seconded by Director Wasim and carried unanimously.

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 next reported that renewal of the TCEQ Waste Discharge Permit for wastewater treatment plant no. 1 requires nitrate/nitrogen modifications to the treatment plant within the next three (3) years.

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

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

After discussion, Director Williams made a motion to accept the Engineer's Report.

Director Wasim 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 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, copies of which are attached hereto as Exhibit "D". He reported that water accountability in the District was 97% for May.

- 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, 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.

Mr. Reddick next presented the Billings and Collection Report. The Board then conducted a hearing regarding water and sewer service terminations. Mr. Reddick 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 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 Wasim 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, 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 which is attached hereto as **Exhibit "F"**. He also stated that an Unclaimed Property Report was recently filed with the State Comptroller.

After discussion, a motion was made by Director Williams to (i) accept the Bookkeeper's Report, and (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. 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.

Mr. Reddick stated that he 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.

Mr. Reddick stated that the Consumer Confidence Report was mailed to all District customers and placed on the District’s website.

After discussion, a motion was made to approve the Consumer Confidence Report. The motion was seconded by Director Wasim and carried unanimously.

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).

Mr. Reddick stated that he had no information to report under these agenda items.

**CONVENE IN EXECUTIVE SESSION TO DELIBERATE, REVIEW AND DISCUSS
PENDING AND/OR POTENTIAL LITIGATION**

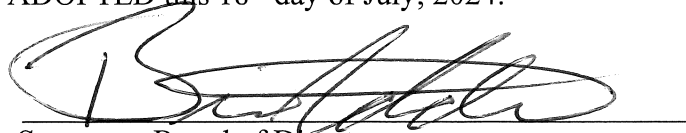
At 5:57 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:20 p.m.

After discussion, the Board requested that Ms. Sechrist respond to the owner of the property on Blue Mist Circle regarding settlement of his pending insurance claim.

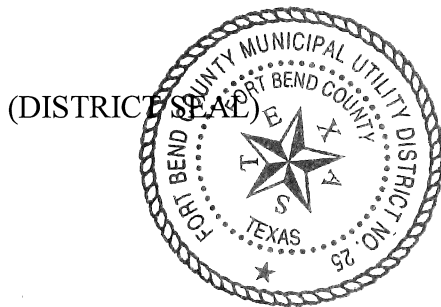
OTHER MATTERS

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

PASSED, APPROVED, and ADOPTED this 18th day of July, 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 |
| termination list..... | 6 |
| penalty register | 6 |
| bookkeeper's report | 7 |