

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

July 18, 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 18th day of July, 2024, at a regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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|------------------|------------------------------|
| 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 Wasim appearing by Zoom), except Director Quadir, 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 (by Zoom) with Assessments of the Southwest ("ASW"), tax assessor and collector for the District; Mary Moore Hayes (by Zoom), District consultant; 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 June 20, 2024. After discussion, Director Williams made a motion to approve the minutes of the June 20, 2024, Board meeting as presented. Director Addicks 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 on this agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then presented the Tax Assessor/Collector's Report for June 2024 (the "Tax Report"), a copy of which is attached hereto as **Exhibit "A"**. He reported that 97.37% of the District's 2023 taxes and 99.52% of the District's 2022 taxes had been collected as of May 31, 2024.

After 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 Addicks 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 three (3) accounts are eligible for water termination for failure to pay their District taxes within six (6) months of the due date (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 the three (3) unpaid accounts listed thereon pursuant to Section 49.212(c) of the Texas Water Code. Director Asif 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"**.

Mr. Pena next reported on the status of Waste Discharge Permit renewal for wastewater treatment plant no. 1. He stated that Ardurra has successfully petitioned the Texas Commission on Environmental Quality (the "TCEQ") to remove the imposed nitrate/nitrogen modifications from the Permit.

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 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. 4 submitted by McDonald Municipal and Industrial, Inc. ("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. 7 submitted by Industrial TX Corp. ("Industrial") in the amount of \$64,600.00 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 next presented Pay Application No. 4 in the amount of \$161,134.20 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 Replacement Project at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

After discussion, Director Williams made a motion to:

- (i) approve Pay Application No. 4 from McDonald in the amount of \$69,855.30 for the Chlorine Room Rehabilitation Project;
- (ii) approve Pay Application No. 7 from Industrial in the amount of \$64,600.00 for the Phase 2 STP Rehabilitation Project; and
- (iii) approve Pay Application No. 4 from McDonald in the amount of \$161,134.20 for the Generator Replacement Project at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4.

The motion was seconded by Director Addicks 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 stated that he had no information to report on this agenda item.

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

Mr. Bridges reported that a change in contractors needs to be made for the on-call Sanitary Sewer Rehabilitation contract. He informed the Board that bids will be advertised for the replacement contractor.

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 Addicks seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Ms. Sechrist stated that she had no information to report on this agenda item other than in Executive Session.

- 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 98% for June.

Mr. Bridges then reported that on June 28, a District truck was stolen from the street outside a District facility. He stated that the truck was recovered and an insurance claim has been filed for the damage to the truck. Mr. Bridges informed the Board that a new Standard Operating Procedure has been created that requires District operators to either pull their trucks into and beyond the fence at a District facility or turn off and lock the truck if they park on the street.

After discussion, a motion was made by Director Williams to accept the Field Operations report, the Construction and Projects Summary report, and the Building and Maintenance Update report. The motion was seconded by Director Addicks and 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.**

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 June 1 to June 28 (collectively, the "Bookkeeper's Report"), a copy of which is attached hereto as **Exhibit "F"**.

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 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.; and
- (ii) Any other matters deemed appropriate and related to overall Administrative items, Human Resources, etc.

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) Review and approve third quarter result of Group Goals for fiscal year 2023-2024; and
- (vi) Risk Management items.

Mr. Reddick next presented the third quarter Group Goal results for fiscal year 2023-2024. He reported the goal set for the number of preventable incidents was not met.

After discussion, a motion was made to approve the third quarter Group Goals results for fiscal year 2023-2024. The motion was seconded by Director Asif 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 6:10 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:24 p.m.

After discussion, the Board concurred not to accept a recent partial payment made in connection with the pending justice court lawsuit.

OTHER MATTERS

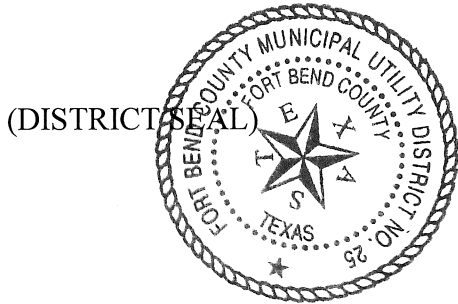
Director Asif next informed the Board that he recently attended a meeting held by Fort Bend County Commissioner Andy Meyers for representatives of municipal utility districts, levee improvement districts and homeowner associations. He reported that roundabouts and removal of downed tree branches from the recent hurricane were among the topics discussed at the meeting. After discussion, the Board requested that District staff send an email to District residents regarding the procedure for requesting that Fort Bend County pickup downed tree limbs.

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

PASSED, APPROVED, and ADOPTED this 15th day of August, 2024.



Secretary, Board of Directors



LIST OF ATTACHMENTS

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