

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

August 15, 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 15th day of August, 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, 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 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; Jared Welsh 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 July 18, 2024. After discussion, Director Williams made a motion to approve the minutes of the July 18, 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.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Sechrist 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 "A"**. She reported that Larson & Weisinger had no updates to report under this agenda item.

After discussion, Director Williams 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 next presented the Engineer's Report prepared by Ardurra (the "Engineer's Report"), a copy of which is attached hereto as **Exhibit "B"**. He first 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 to remove the imposed nitrate/nitrogen modifications from the Permit.

Mr. Pena then presented Ardurra's Task Order E-67 relating to the preparation of Bond Application Report No. 25 in an amount not to exceed \$50,000 and Task Order E-68 relating to the replacement of the natural gas generators at Lift Station No. 6 and Water Well No. 3 in an amount not to exceed \$21,000.00.

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 The Brandt Company ("Brandt"), in the amount of \$101,471.39 for the electrical equipment replacement project at Water Plant No. 3 (the "Water Plant No. 3 Electrical Equipment Replacement Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Pay Application No. 5 submitted by McDonald Municipal and Industrial, Inc. ("McDonald"), in the amount of \$90,555.30 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 then presented Pay Application No. 8 submitted by Industrial TX Corp. ("Industrial") in the amount of \$164,749.00 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. 1 pursuant to Work Order No. 1 submitted by Allteam Solutions, LLC ("Allteam"), in the amount of \$8,788.50 for the sanitary sewer manhole repairs project (the "Manhole Rehabilitation Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Pena next presented Pay Application No. 1 in the amount of \$9,000.00 submitted by McDonald for the replacement of the natural gas generator at Water Well No. 4 (the "Water Well No. 4 Generator Replacement 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. 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. 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:

- (i) accept the Engineer's Report;
- (ii) approve Pay Application No. 4 from Brandt in the amount of \$101,471.39 for the Water Plant No. 3 Electrical Equipment Replacement Project;
- (iii) approve Pay Application No. 5 from McDonald in the amount of \$90,555.30 for the Chlorine Room Rehabilitation Project;
- (iv) approve Pay Application No. 8 from Industrial in the amount of \$164,749.00 for the Phase 2 STP Rehabilitation Project;
- (v) approve Pay Application No. 1 from Allteam in the amount of \$8,788.50 for the Manhole Rehabilitation Project;
- (vi) approve Pay Application No. 1 from McDonald in the amount of \$9,000.00 for the Water Well No. 4 Generator Replacement Project; and
- (vii) approve Ardurra's Task Order E-68 at a cost not to exceed \$21,000.00, subject to review by the District's attorney and District staff.

The motion was seconded by Director Addicks and carried 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 "C". He reported that water accountability in the District was 98% for July.

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

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

Mr. Bridges then reported that a fence at Lift Station No. 9 was replaced due to hurricane damage and an insurance claim has been filed.

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 Report. The motion was seconded by Director Wasim and 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 part of Exhibit "D" (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 Asif 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, and an investment report prepared in accordance with the Public Funds Investment Act (collectively, the "Bookkeeper's Report"), a copy of which is attached hereto as **Exhibit "E"**.

The Board then discussed the 2024-2025 budget. After discussion, the Board concurred to adopt a new budget at the October Board meeting.

Mr. Reddick next requested Board's approval to renew a certificate of deposit with Amegy Bank at an interest rate of 5% for a three (3) month term (the "Rollover CD").

After discussion, a motion was made by Director Williams to (i) approve the purchase of the Rollover CD, (ii) accept the Bookkeeper's Report, and (iii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. Director Addicks seconded the motion, which carried by a vote of 4 to 0, with Director Wasim abstaining.

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 stated that he 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).

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

TAX ASSESSOR/COLLECTOR'S REPORT

A. Approval of checks drawn on the tax account; payment of invoices presented; and tax refunds.

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 "F"**. He

reported that 97.76% of the District's 2023 taxes and 99.59% of the District's 2022 taxes had been collected as of July 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.

B. Financial Advisor's recommendation concerning the establishment of the District's 2024 tax rate.

Mr. Welsh next presented a 2024 tax rate analysis prepared by Masterson, a copy of which is attached hereto as "Exhibit G".

C. Proposed 2024 Tax Rate

The Board then considered adopting proposed 2024 debt service and maintenance tax rates. After discussion, Director Williams moved that the Board adopt a proposed 2024 debt service tax rate of \$0.62 per \$100 of assessed valuation and a proposed 2024 maintenance tax rate of \$0.22, for a total proposed 2024 tax rate of \$0.84 per \$100 of assessed valuation (the "Proposed 2024 Tax Rates"). The motion was seconded by Director Wasim and carried by unanimous vote.

Mr. Patterson then advised the Board that the language in the Notice of Public Hearing on Tax Rate (the "Notice") varies depending on whether the District is a low tax rate district, a developed district, a developed district in a designated disaster area (as these terms are defined in Sections 49.23601 and 49.23602 of the Texas Water Code) or is a developing district, which is a district not described in Texas Water Code Sections 49.23601 or 49.23602. After discussion, the Board concurred that the District is a developing district for purposes of the Notice.

The Board next discussed calling any public hearings and authorizing any publications or mailings required in connection with the levy of the Proposed 2024 Tax Rates. After discussion, a motion was made by Director Williams to (i) hold a public hearing on the levy of the Proposed 2024 Tax Rates on Thursday, September 19, 2024, at 5:30 p.m., and (ii) authorize ASW to publish notice of the Proposed 2024 Tax Rates in the *Fort Bend Herald*, the *Katy Times*, and the *Houston Chronicle* that includes language required by Section 49.23603 of the Texas Water Code. The motion was seconded by Director Addicks and carried by unanimous vote.

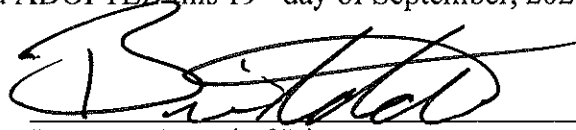
OTHER MATTERS

The Board then considered Ardurra's Task Order E-67 in an amount not to exceed \$50,000.00 for the preparation of Bond Application No. 25.

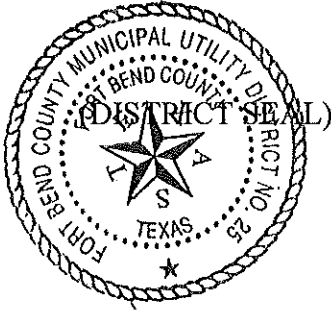
After discussion, Director Williams made a motion to approve Ardurra's Task Order E-67. The motion was seconded by Director Addicks and passed unanimously.

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

PASSED, APPROVED, and ADOPTED this 19th day of September, 2024.



Secretary, Board of Directors



LIST OF ATTACHMENTS

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