

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

September 19, 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 19th day of September, 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; José Cabrera, Project Manager/Regulatory Compliance; 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 Inc. ("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; Greg Lentz and Jared Welsh with Masterson Advisors, LLC ("Masterson"), financial advisors for the District; Deputy Jeff Martinez with the Fort Bend County Sheriff's Office; and the following residents of the District: Mary Scanlin, Thurmond Johnson, Lisa Morgan, Tanveer Moosa, Kathy Bell; and Mohammed Akbani.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on August 15, 2024. After discussion, Director Williams made a motion to approve the minutes of the August 15, 2024, Board meeting as presented. Director Addicks seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Johnson first commented on the District's 2024 proposed tax rate and asked that the Board drop the tax rate in order to reduce the average District tax bill per household. Ms. Morgan also expressed her concern about the size of the District's tax and water bills. Mr. Johnson then inquired as to why the backflow inspection fee was increased by thirty percent (30%) from \$25 to \$35 when it is his observation that the inspection only takes up to five (5) minutes. He also inquired as to why backflow inspections are down on a house by house basis instead of by neighborhood.

Ms. Ruvalcaba stated that she would discuss the backflow inspection scheduling process with the District's Operations staff.

Mr. Moosa then asked about how District bond funds were spent. Mr. Reddick and Mr. Lentz then described the District's process for determining when a bond issue is needed and the projects that are included in the bond application report. Mr. Moosa then stated that he would like to see electricity added to the park in the Park Pointe subdivision.

Ms. Bell then discussed questionable activities taking place in parks within the Park Pointe subdivision. She also District and inquired as to the District's responsibility for repairing sidewalks. Ms. Ruvalcaba stated that the District is only responsible for repairing sidewalks that are disturbed during manhole repairs. She informed Ms. Bell that the District is in the process of redoing seven (7) sidewalk repair sites near sanitary sewer manholes in the Park Pointe subdivision.

Mr. Akbani then complimented Mr. Cabrera and District employee Travis Mendez on their recent work in the District. He also inquired about the possibility of the District adding grates to its storm sewers to prevent animals from entering and leaving the drainage system.

DEVELOPER'S REPORT

Mr. Canonico reported that the Sugar Land Church of Christ (the "Church") has recently inquired about receiving sanitary sewer services from the District in addition to the out-of-District water service currently provided by the District to the Church and Ardurra is looking into the feasibility of the granting the request.

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 August 2024 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He reported that 98.56% of the District's 2023 taxes and 99.60% of the District's 2022 taxes had been collected as of August 31, 2024.

After discussion, Director Wasim 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. Conduct public hearing in connection with the levy of the District's 2024 tax rate.

Director Williams next opened a public hearing on the District's 2024 proposed tax rate. Mr. Johnson stated that he trusted the Directors to try to lower the tax rate below the proposed \$0.84 rate.

C. Levy the District's 2024 debt service and maintenance tax rates and adopt an order in connection therewith.

The Board then considered adopting a 2024 debt service tax and maintenance tax. After discussion, Director Wasim moved that the Board adopt an order levying a debt service tax of \$0.61 per \$100 of assessed valuation and a maintenance tax of \$0.22 per \$100 of assessed valuation, for a total 2024 District tax rate of \$0.83 per \$100 of assessed valuation. The motion was seconded by Director Williams and carried by unanimous vote.

D. Approve an Amended District Information Form

The Board next considered approving an Amended District Information Form reflecting the District's 2024 tax rate. After discussion, Director Wasim moved that the Board approve the Amended District Information Form and authorize its filing in the Fort Bend County Real Property Records and with the Texas Commission on Environmental Quality (the "TCEQ"). Director Williams 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 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. 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. Developer projects, new development, and requests for service

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

E. 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.

F. Approve and/or concur in the approval of pay estimates and change orders on current construction projects within the District

Mr. Canonico then presented then presented Pay Application No. 6 from Gilleland Smith Construction, Inc. ("Gilleland") in the amount of \$27,450.00 for the new hydropneumatic tank at Water Plant No. 3 (the "Hydro Tank Project"). He informed the Board that Ardurra recommends approval of this Pay Estimate.

Mr. Canonico next presented Change Order No. 1 submitted by McDonald Municipal and Industrial, Inc. ("McDonald"), in the amount of \$1,284 for the chlorine room rehabilitation project at Water Plant Nos. 1-4 (the "Chlorine Room Rehabilitation Project"). He informed the Board that this Change Order is to add four (4) pump shelves for additional storage space and that Ardurra recommends approval of this Change Order Estimate.

Mr. Canonico then presented Pay Application No. 8 submitted by Industrial TX Corp. ("Industrial") in the amount of \$52,250.00 and Change Order No. 2 in the amount of \$22,538.18 for Phase II of the rehabilitation project at Wastewater Treatment Plant Nos. 1 and 2 (the "Phase II STP Rehabilitation Project"). He informed the Board that this Change Order is to add new air piping at the bypass location for the aeration basin blowers and to install a new stainless steel gate at the chlorine contact basin effluent channel at Wastewater Treatment Plant No. 2. Mr. Canonico further informed the Board that Ardurra recommends approval of this Pay Estimate and Change Order No. 2.

G. 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.

H. Grant or consent to easements over District property

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

I. Review status of the developments within the District

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

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

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

K. Procedures planned for remediation and recovery

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

L. Evaluation planned to determine status of storm drainage systems

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

M. Reimbursement and payment options

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

After discussion, Director Asif made a motion to:

- (i) accept the Engineer's Report;
- (ii) approve Pay Application No.6 from Gilleland in the amount of \$27,450 for the Hydro Tank Project;
- (iii) approve Change Order No. 1 from McDonald in the amount of \$1,284 for the Chlorine Room Rehabilitation Project; and
- (iv) approve Pay Application No. 9 from Industrial in the amount of \$52,250 and Change Order No. 2 in the amount of \$22,538.18 for the Phase II STP Rehabilitation Project.

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; and**
- (ix) **Authorize Operations staff to provide required information to districts receiving water through emergency interconnects relative to Consumer Confidence Reports.**

Mr. Cabrera 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 99% for August.

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

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

Mr. Cabrera then reported that a fence at Lift Station No. 3 has been replaced and expansion of the inventory building has begun.

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

Ms. Ruvalcaba next presented the Billings and Collection Report. The Board then conducted a hearing regarding water and sewer service terminations. Ms. Ruvalcaba informed the Board that the customers on the list 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.

Mr. Akbani next requested an adjustment on his recent water bill due to an outside water leak.

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 Addick 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"**.

- (ii) **Adopt a budget for fiscal year ending September 30, 2025.**

The Board then discussed the proposed 2024-2025 budget as presented by Mr. Reddick.

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) adopt the 2024-2025 budget, as presented. The motion as seconded by Director Addicks and 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.**

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; and**
(v) **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 PENDING AND/OR POTENTIAL LITIGATION

At 6:40 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:54 p.m.

After discussion, the Board concurred to authorize the District's attorney to file lawsuits in the county courts of Fort Bend County to collect unpaid fines assessed by the District.

OTHER MATTERS

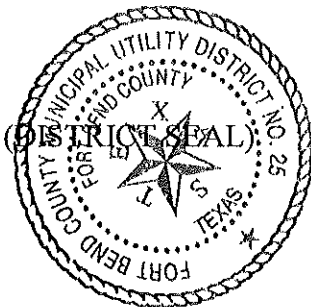
The Board then discussed Mr. Akbani's request for an adjustment to his recent water bill. After discussion, the Board concurred to adjust Mr. Akbani's recent water bill to an amount equal to the average of his water bills for the past three (3) months.

The Board then discussed Mr. Moosa's request for electricity in the park in the Park Pointe subdivision. After discussion, the Board requested that District staff research the feasibility of granting this request.

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

PASSED, APPROVED, and ADOPTED this 17th day of October, 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; and building and maintenance update report	6
penalty register	8
bookkeeper's report	8

https://sdlawfirms.sharepoint.com/sites/S-D_Data/Sechrist/Sechrist_Shared/FB25/Minutes/2024/FB25 Minutes 9.19.24.docx