

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

November 21, 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 21st day of November, 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, except Director Williams, thus constituting a quorum.

Also present during all or a portion of the meeting were: Leonela Ruvalcaba, Executive General Manager; Dominique Reddick (by Zoom), Director of Financial Services; Alejandra Playa, Senior Accountant; José Cabrera, Project Manager/Regulatory Compliance; David Nguyen, Information Technology (“IT”) Department; Terrie Sechrist with Sechrist Duckers LLP, attorneys for the District; Chris Canonico and Hector Pena (by Zoom) with Ardurra Group Inc. (“Ardurra”), engineers for the District; John Hill and Corrie Aday with Brown & Brown Insurance Services, Inc. (“Brown & Brown”); Deputy Rodney Rodriguez with the Fort Bend County Sheriff’s Office; and Tanveer Moosa, resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on October 17, 2024. After discussion, Director Addicks made a motion to approve the minutes of the October 17, 2024, Board meeting as presented. Director Wasim seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Mr. Moosa then inquired as to the status of restoring water service to his property located at 11910 South Highway 6 and the installation of lights in the park in the Park Pointe subdivision. Mr. Reddick informed the Board that he would attend the December 6 webinar hosted by the Association of Water Board Directors regarding funding sources available to municipal utility districts and report on same at the next Board meeting.

DEVELOPER'S REPORT

Mr. Pena then informed the Board that he has not received any additional information or site plans from the proposed developers of town home community on an out-of-District tract near West Airport.

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

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Sechrist then presented the Tax Assessor/Collector's Report for October 2024 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". She reported that 0.81% of the District's 2024 taxes and 98.99% of the District's 2023 taxes had been collected as of October 31, 2024.

After discussion, Director Addicks 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

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.

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. Construction of non-capital projects

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

E. Coordination of projects with Project Management Engineer

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

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

Mr. Canonico stated that he had no additional 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 next informed the Board that four (4) bids had been received for the sanitary sewer manhole and sidewalk repair project (the "Manhole Rehabilitation Project") that had previously been awarded to Allteam Solutions, Inc., in April 2024. He stated that Ardurra recommends that after discussions with District staff, the District award the contract for this project to the second lowest unit price bidder, Duran's Maintenance.

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

Mr. Canonico then presented Pay Application No. 6 submitted by The Brandt Company ("Brandt") in the amount of \$61,248.19 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 Application.

Mr. Canonico next presented Pay Application No. 8 from Gilleland Smith Construction, Inc. ("Gilleland"), in the amount of \$116,100.00 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 Application.

Mr. Canonico then presented Pay Application Nos. 7 and 8 (Final) submitted by McDonald Municipal and Industrial, Inc. ("McDonald"), in the amounts of \$1,155.60 and \$34,175.30, respectively, 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 these Pay Applications.

Mr. Canonico next presented Pay Application No. 5 (Final) submitted by McDonald in the amount of \$58,103.80 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 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 Addicks made a motion to:

- (i) accept the Engineer's Report;
- (ii) award the contract for the Manhole Rehabilitation Project to Duran's Maintenance, the responsible bidder who, in the Board's judgment, will be most advantageous to the District and result in the best and most economical completion of the project, subject to review by the District's attorney of the payment and performance bonds and insurance certificates submitted in connection therewith to determine if they meet the requirement of the Texas Insurance Code, the rules of the Texas Commission on Environmental Quality (the "TCEQ"), and the provisions of the Texas Water Code;
- (iii) approve Pay Application No. 6 from Brandt in the amount of \$61,248.19 for the Water Plant No. 3 Electrical Equipment Replacement Project;

- (iv) approve Pay Application No. 8 from Gilleland in the amount of \$116,100.00 for the Hydro Tank Project;
- (v) approve Pay Applications No. 7 and 8 (Final) from McDonald in the amounts of \$1,155.60 and \$34,175.30, respectively, for the Chlorine Room Rehabilitation Project; and
- (vi) approve Pay Application No. 5 (Final) from McDonald in the amount of \$58,103.80 for the Generator Replacements at Water Well Nos. 1 & 2 and Lift Station Nos. 1, 3 & 4 Project.

The motion was seconded by Director Wasim 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) OLIP 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, the Construction and Projects Summary Report, and the Building and Maintenance Report, copies of which are attached hereto as Exhibit "D". He reported that water accountability in the District was 96% for October. He then reported that an employee was injured in October when he sustained a superficial cut on his head.

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 there is a delay in receiving the materials necessary to complete the inventory building expansion. He also reported that new granite is being installed on the Red Gully trail.

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 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.

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.

After discussion, a motion was made by Director Addicks to terminate water service after January 1, 2025, 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 "F"**. He then discussed moving the reserve funds from Industry State Bank, which is currently paying four percent (4%) interest, to Texas Class, which is currently paying five percent (5%) interest. After discussion, the Board concurred to move the reserve funds to Texas Class.

Mr. Reddick next discussed the amount of surplus bond funds available to the District for use in funding various District projects.

Mr. Hill and Ms. Aday then regarding the details of the District's insurance policies.

After discussion, a motion was made by Director Wasim to (i) accept the Bookkeeper's Report, and (ii) authorize the payment of all disbursements listed thereon or otherwise presented at the meeting. The motion as seconded by Director Asif 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 6:25 p.m., the Board convened in Executive Session pursuant to the Texas Government Code. The Board reconvened in public session at 6:55 p.m.

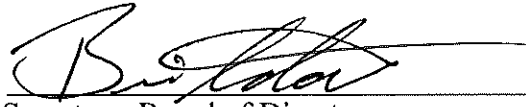
After discussion, a motion was made by Director Addicks to authorize the submission of a bond application report to the TCEQ in a principal amount not to exceed \$7,660,000 for the replacement of the centrifuge at wastewater treatment plant no. 1 and the replacement of water

mains in the Pheasant Creek subdivision. The motion was seconded by Director Asif and carried by unanimous vote.

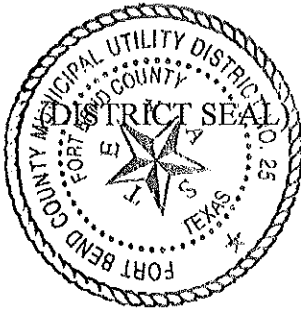
After further discussion, a motion was made by Director Addicks to amend the District's Rate Order. The motion was seconded by Director Quadir and carried unanimously.

After further discussion, a motion was made by Director Addicks to enter into a payment in lieu of taxes agreement for the Flats at Sugar Land apartments. The motion was seconded by Director Quadir and carried by unanimous vote.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS

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https://sdlawfirms.sharepoint.com/sites/S-D_Data/Sechrist/Sechrist_Shared/FB25/Minutes/2024/FB25 Minutes 11.21.24.docx