

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

October 17, 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 17th day of October, 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 Directors Asif and Addicks, 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 with Ardurra Group Inc. ("Ardurra"), engineers for the District; David Patterson (by Zoom) with Assessments of the Southwest ("ASW"), tax assessor and collector for the District; Deputy Jeff Martinez with the Fort Bend County Sheriff's Office; Precinct 3 Constable Nabil Shike, Chief Deputy Jimmy Evans, Captain Veronica Martin, and Lieutenant Marco Scott, with the Fort Bend County Constable's Office, Precinct 3 (the "Constable's Office"); and Tanveer Moosa, resident of the District.

MINUTES

The Board first considered approval of the minutes of its regular meeting held on September 19, 2024. After discussion, Director Williams made a motion to approve the minutes of the August 15, 2024, Board meeting as presented. Director Wasim seconded the motion and it carried unanimously.

PUBLIC COMMENTS

Chief Deputy Evans next discussed the Constable's Office contract patrol program. He presented the District's 2023 crime statistics. He also recommended that the District contract for a minimum of three (3) deputies.

Mr. Moosa then inquired as to the status of restoring water service to his property located at 11910 South Highway 6.

DEVELOPER'S REPORT

Mr. Pena next reported on the request of the Sugar Land Church of Christ (the "Church") to amend its current out-of-District service agreement with the District to add fifteen (15) additional water and sanitary sewer connections to serve a two story building it intends to construct on its property (the "Additional Service/Capacity Request"). He reported that the District has the capacity to grant the Church's request provided that the Church pay for all costs associated with the installation of an additional meter, additional backflow preventers, a private sewer line, a private lift station, a private force main and a grease trap (the "Church Utilities"). After discussion, a motion was made by Director Williams to grant the Church's Additional Service/Capacity Request subject to the Church funding the Church Utilities. The motion was seconded by Director Wasim and carried by unanimous vote.

Mr. Pena then informed the Board that he had been contacted by developers of an out-of-District tract near West Airport regarding the ability of the District to provide water and sanitary sewer service to the tract. He stated that he will provide additional information regarding the amount of capacity being requested when it is received.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then presented the Tax Assessor/Collector's Report for September 2024 (the "Tax Report"), a copy of which is attached hereto as Exhibit "A". He reported that 98.86% of the District's 2023 taxes and 99.63% of the District's 2022 taxes had been collected as of September 30, 2024. He also reported that the number of over 65/disabled tax exemptions claimed by residents of the District increased by 104 from 2023 to 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 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.

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 "C".

He then presented Ardurra's Task Order E-69 relating to the design, bid and construction phase services for the repair of three (3) stormwater outfalls into Red Gully in an amount not to exceed \$39,000 and Task Order E-70 relating to the design, bid and construction phase services for the replacement of piping and check valves at Lift Station Nos. 3-4, 7-10 and 12 and Detention Pond Nos. 1 and 2 in an amount not to exceed \$54,820.00. After discussion, a motion was made by Director Quadir, seconded by Director Williams and unanimously carried, to accept Ardurra's Task Order Nos. 69 and 70, subject to review by the District's attorney and District staff.

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 additional information to report on this agenda item.

E. Coordination of projects with Project Management Engineer

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

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

Mr. Pena 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. Pena next informed the Board that three (3) bids had been received for the sanitary sewer rehabilitation annual service project (the "Sanitary Sewer Rehabilitation Annual Service Project"). He stated that Ardurra recommends that after discussions with District staff, the District award the contract for this project to Lopez Utilities Contractor, LLC ("Lopez").

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. 5 submitted by The Brandt Company

("Brandt"), in the amount of \$129,332.06 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. Pena next presented Pay Application No. 7 from Gilleland Smith Construction, Inc. ("Gilleland") in the amount of \$21,600.00 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. Pena then presented Pay Application No. 6 submitted by McDonald Municipal and Industrial, Inc. ("McDonald"), in the amount of \$49,156.20 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 Application.

Mr. Pena next presented Change Order No. 3 submitted by Industrial TX Corp. ("Industrial") in the amount of \$256,526.53 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 replace three (3) control panels at Wastewater Treatment Plant No. 2. Mr. Pena stated that Ardurra recommends approval of this Change Order.

Mr. Pena then presented Pay Application No. 1 pursuant to Work Order No. 2 submitted by Allteam Solutions, LLC ("Allteam"), in the amount of \$42,784.92 for the sanitary sewer manhole repairs project (the "Manhole Rehabilitation Project"). He informed the Board that Ardurra recommends approval of this Pay Application.

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 Quadir made a motion to:

- (i) accept the Engineer's Report;
- (ii) award the contract for the Sanitary Sewer Rehabilitation Annual Service Project to Lopez, 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. 5 from Brandt in the amount of \$129,332.06 for the Water Plant No. 3 Electrical Equipment Replacement Project;
- (iv) approve Pay Application No.7 from Gilleland in the amount of \$21,600.00 for the Hydro Tank Project;
- (v) approve Pay Application No. 6 from McDonald in the amount of \$49,156.20 for the Chlorine Room Rehabilitation Project;
- (vi) approve Change Order No. 3 from Industrial in the amount of \$256,526.53 for the Phase II STP Rehabilitation Project; and
- (vii) approve Pay Application No. 1 for Work Order No. 2 from Allteam in the amount of \$42,784.92 for the Manhole Rehabilitation Project.

The motion was seconded by Director Williams and carried unanimously.

ATTORNEY'S REPORT

Ms. Sechrist next presented a Resolution Adopting an Amended Flood Damage Prevention Order (the "Resolution"). She informed the Board that in 2014, the District adopted a resolution

that designates the Fort Bend County (the "County") Engineer as the District's Flood Plain Administrator and entered into an Interlocal Agreement with the County pursuant to which the County agrees to serve as the District's Flood Plain Administrator. She further informed the Board that the County recently updated its Flood Damage Prevention Regulations and pursuant to the Interlocal Agreement with the County, the District is required to adopt the updated regulations.

- 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.

- G. Authorize Directors attendance at AWBD Winter Conference to be held January 23-24, 2025, in Austin, Texas

The Board next discussed the AWBD Winter to be held in January in Austin, Texas (the "AWBD Summer Conference"). After discussion, a motion was made by Director Williams to approve the attendance of all interested Directors at the AWBD Winter Conference. The motion was seconded by Director Quadir and carried by unanimous vote.

After discussion, a motion was made by Director Williams, seconded by Director Quadir, to (i) accept the Attorney's Report, and (ii) adopt the Resolution. The motion carried by unanimous vote.

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 99% for September.

Ms. Ruvalcaba then informed the Board that the District's backflow inspection schedule has been revamped to inspect backflow on a street by street basis.

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 the foundation for the inventory building expansion is being poured this week.

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

- (ii) **Consider proposals relative to renewal of the District's insurance policies expiring November 2024.**

Mr. Reddick then informed the Board that a proposal from Brown & Brown Lone Star Insurance Services ("**Brown & Brown**") for the renewal of the District's insurance policies would be presented at next month's Board meeting.

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) accept the proposal from Brown & Brown for renewal of the District's insurance policies. The motion was seconded by Director Quadir 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 next presented the Group Goals report for the 2024 fiscal year (the "2024 Group Goals Report"), a copy of which is attached hereto as **Exhibit "G"**. She reported that all of the Goals were met except for the Incidents and Accidents Goal, which was exceeded by one incident. After discussion, the Board concurred to accept the 2024 Group Goals Report.

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 7:03 p.m.

After discussion, the Board concurred that no action was necessary from the Executive Session.

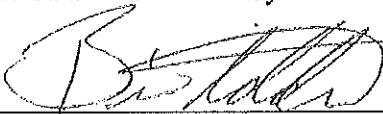
OTHER MATTERS

The Board then revisited the request made by Mr. Moosa at the September Board meeting for the installation of electric lights in the park in the Park Pointe subdivision. Director Williams stated that AWBD may have access to grant funds for installing solar lights. After discussion, Ms. Ruvalcaba stated that District staff would research the availability of grant funds for District projects, including solar lights.

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

PASSED, APPROVED, and ADOPTED this 21st day of November, 2024.




Secretary, Board of Directors

LIST OF ATTACHMENTS

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https://sdlawfirms.shnrepoint.com/sites/S-D_Data/Sechrist/Sechrist_Shared/FB25/Minutes/2024/FB25 Minutes 10.17.24.docx