

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

March 20, 2025

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 20th day of March, 2025, 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; Jose 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”), engineer for the District; David Patterson (by Zoom) with Assessments of the Southwest (“ASW”), tax assessor/collector for the District; Robert Belt and Daniel Hebert (by Zoom) with Crowe, auditors 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 February 20, 2025. After discussion, Director Williams made a motion to approve the minutes of the February 20, 2025, 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 next reported that the developer of a proposed townhome development on a tract of land outside the boundaries of the District near West Airport has reduced the number of residential units proposed to be developed from 50 to 40 in order to allow for the construction of an onsite detention pond. He also reported that he had been contacted by a representative of a Mosque for possible out of District Water and Sewer service.

AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024

Mr. Belt then presented the District's Annual Financial Report for the fiscal year ending September 30, 2024, prepared by Crowe (the "Audit"). After discussion, Director Addicks moved that the Board (i) accept the Audit, subject to final review by District staff and the District's attorney, (ii) authorize the filing of the Audit with the Texas Commission on Environmental Quality, and (iii) authorize the filing of the Audit and other secondary disclosure documents in accordance with SEC Rule 15c2-12. The motion was seconded by Director Williams and carried by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson then informed the Board that the February and March tax report will be presented at the April Board meeting.

A. Consider granting exemptions from taxation for tax year 2025 and the adoption of a resolution in connection therewith

Ms. Sechrist next outlined for the Board the various tax exemptions available under the Texas Tax Code for the District to grant to landowners within the District's boundaries. She informed the Board that last year it granted an exemption of \$10,000 of the appraised value of the residence homestead of individuals who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors and Disability Insurance or who are sixty-five (65) years of age or older (the "Disabled/Over 65 Exemption"). After discussion, Director Williams moved that the Board adopt a Resolution Concerning Exemptions from Taxation that (i) grants a \$15,000 Disabled/Over 65 Exemption for tax year 2025 and (ii) adopts a general residential homestead exemption of one percent (1%), with a minimum exemption of \$5,000, of the appraised value of a residence homestead. Director Wasim seconded the motion, which carried unanimously.

B. Adopt a Resolution Authorizing Additional Penalty on Delinquent Taxes

The Board next considered adopting a resolution that authorizes the imposition of an additional penalty of 20% on tax accounts that are not paid in accordance with the Texas Tax Code (the "Additional Penalty Resolution"). Ms. Sechrist reminded the Board that the additional penalty would be used to pay the District's delinquent tax attorney. After discussion, upon a motion made by Director Williams and seconded by Director Wasim, the Board voted unanimously to adopt the Additional Penalty Resolution.

C. Adopt a Resolution Concerning Tax Collection Procedures

Ms. Sechrist next outlined for the Board the various tax collection procedures available to the District. She reported that the Board has the option of rejecting or permitting: (i) the District to refrain from sending a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent

until it is \$15.00 or more; (ii) the split payment of taxes; and (iii) discounts for the early payment of taxes. After discussion, Director Williams moved that, for tax year 2025, the Board adopt a Resolution Concerning Tax Collection Procedures that rejects: (i) the option to not send a tax bill for less than \$15.00, unless a property owner files a written request with the District before the tax bill is prepared that the tax bill not be sent until it is \$15.00; (ii) the option to allow the split payment of taxes; and (iii) the option to offer discounts for the early payment of taxes. Director Wasim seconded the motion, which 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 "A". She reported that no Board action was required under this agenda item.

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".

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 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 next presented Pay Estimate No. 1 and Final for Work Order No. 4 submitted by Duran's Maintenance in the amount of \$39,260.00 for the sanitary sewer manhole and sidewalk repair project (the "Manhole Rehabilitation Project") in the Windsor Estates, Orchard Lake Estates, Oak Lake Court and Chelsa Harbour subdivisions. He stated 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 Wasim made a motion to:

- (i) accept the Engineer's Report; and
- (ii) approve Pay Estimate No. 1 and Final for Work Order No. 4 submitted by Duran's Maintenance in the amount of \$39,260.00 for the Manhole Rehabilitation Project.

The motion was seconded by Director Williams and carried unanimously.

ATTORNEY'S REPORT

Ms. Sechrist next discussed with the Board the status of the grease issues on the Rosenberg Retail property and the TCEQ's approval of the District's recent bond application 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.

After discussion, a motion was made by Director Asif to accept the Attorney's Report. The motion was seconded by Director Williams and carried by unanimous vote.

G. Consider an annual review of the prevailing wage rate scale for construction projects and consider authorizing survey of wages

Ms. Sechrist next advised the Board that Chapter 2258 of the Texas Government Code requires that each year, the District determine the general prevailing rate of per diem wages for certain crafts and types of workers on District construction projects and the general prevailing rate of per diem wages for legal holiday and overtime work. After discussion, a motion was made by Director Williams to authorize the District's attorney to conduct a survey of the wages received by classes of workers employed on public works projects of Fort Bend County, the City of Houston, and the United States Department of Labor. The motion was seconded by Director Addicks and 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; and**
- (viii) **QLIP items.**

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 "C"**. He reported that water accountability in the District was 98% for February 2025.

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

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

Mr. Cabrera reported that the bullrock in the Old Richmond Road landscaping areas is being replaced.

After discussion, a motion was made by Director Asif to 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. She reported that no disconnections were made during the recent period of cold weather. 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 "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.

Ms. Ruvalcaba then stated that information regarding the use of the District's ACH platform at no additional charge was now on the District's website. After discussion, the Board requested that this information also be emailed to the District's customers.

After further 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 Addicks 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 reported that 2,400 District's customers use the Smart Meter App.

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"**.

Mr. Reddick next presented an Order Regarding the Sale of District Surplus Personal Property (the "**Sale Order**"). He informed the Board that the District has a riding lawn

mower that now is surplus and can be sold at the public or private sale pursuant to Section 49.226 of the Texas Water Code for a minimum bid of \$2,500.00

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 Sale Order. The motion was seconded by Director Wasim 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.

The Board next considered renewal of its contract with Bella Professional Consultants, LLC ("Bella"). After discussion, the Board concluded not to renew its contract with Bella when it expires on April 30, 2024.

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

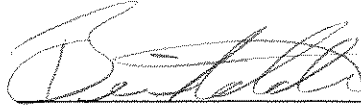
H. Executive Management Reports to include Financial/Budget, Group Goals, Strategic, Legal, Engineering, Project, and Future Strategic Planning updates, including:

- (i) General legal items;
- (ii) General engineering items;
- (iii) General project items; and
- (iv) Future/Strategic Planning Issues (overall); and
- (v) Consider hiring a security company for the District.

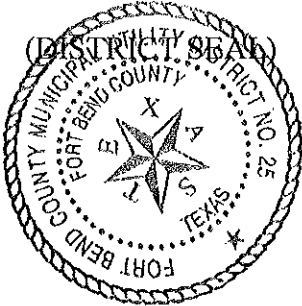
Ms. Ruvalcaba stated that she had no information to report under these agenda items.

After discussion, a motion was made by Director Williams to adjourn the meeting. The motion was seconded by Director Addicks and carried unanimously.

PASSED, APPROVED, and ADOPTED this 17th day of April, 2025.



Secretary, Board of Directors



LIST OF ATTACHMENTS

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https://sdlawfirms.sharepoint.com/sites/S-D_Data/Sechrist/Sechrist_Shared/FB25/Minutes/2025/FB25 Minutes 03.20.25.docx