

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 31

January 23, 2025

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 31 (the "District") met in regular session, open to the public, on the 23<sup>rd</sup> day of January 2025, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the district, and the roll was called of the members of the Board:

Micah Kreikemeier	President
Douglas Chumley	Vice President
James Lee, Jr.	Secretary
Andrew Yorlano	Assistant Vice President
Vacant	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were: Adrienne Brown, resident of the District; Angela Price Hardeman, of the Sterling Lakes Property Owner's Association ("POA"); Rachel Richmond and Celest Chavez of Associa Principal Management Group of Houston; Shane Zercher of Terry's Landscape LLC ("Terry's"); Demitra Berry of McLennan & Associates, LP; Madeline James of Assessments of the Southwest, Inc.; John Howell, Jr. of The GMS Group, LLC; Mike Christopher of Elevation Land Solutions ("ELS"); Stephanie Lee of KGA/DeForest Design LLC; Josh Wadley of Land Tejas Development; and Jessica Holoubek and Arlene Catalan of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

The Board offered any members of the public attending the meeting the opportunity to make a public comment.

Ms. Brown addressed the Board regarding broken bollards in the District. The Board directed Ms. Brown to contact the POA regarding the bollards.

Mr. Zercher introduced himself to the Board. He stated that Terry's has scheduled a meeting with ELS and the developer to do a walk-through of the District and discuss maintenance.

APPROVE MINUTES

The Board considered approving the minutes of the December 12, 2024, regular meeting. Following review and discussion, Director Lee moved to approve the minutes

listed above, as presented. Director Chumley seconded the motion, which passed unanimously.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Holoubek reported on the District's compliance activities during the prior calendar year related to bond financing. She stated that no corrective action is required at this time.

#### APPOINTMENT OF NEW DIRECTOR

Ms. Holoubek noted the vacancy on the Board. Ms. Brown was introduced as a resident of the District both willing and qualified to serve on the Board of Directors. The Board considered appointing Ms. Brown to fill the vacancy.

#### APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE FOR NEW DIRECTOR

Ms. Holoubek reviewed the Sworn Statement, Official Bond, and Oath of Office for Director Brown.

#### REORGANIZE BOARD, DISTRICT REGISTRATION FORM

The Board considered reorganizing the Board of Directors and authorizing execution of the District Registration Form.

#### OPEN MEETINGS ACT TRAINING REQUIREMENTS

Ms. Holoubek said the Texas Legislature requires each elected or appointed public official to complete a course of training regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act within ninety days of receiving the appointment.

#### CONFLICT OF INTEREST DISCLOSURE; LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Holoubek reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest.

Ms. Holoubek stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers.

After discussion, Director Chumley moved to: (1) appoint Adrienne Brown to the Board of Directors for a term that expires in May 2026; (2) approve the Sworn

Statement, Official Bond and Oath of Office and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law; (3) appoint Director Brown to serve as Assistant Secretary and all other Directors retain their current positions; (4) authorize the execution of the District Registration Form and direct that the Registration Form be filed appropriately and retained in the District's official records; and (5) approve the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Yorlano seconded the motion, which passed by unanimous vote.

#### BOOKKEEPER'S REPORT

Ms. Berry reviewed the bookkeeper's report, including a budget comparison and the bills submitted for the Board's review. Following review and discussion, Director Lee moved to approve the bookkeeper's report and the checks presented for payment. Director Yorlano seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

#### ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

The Board considered accepting the Disclosure Statements from the District's bookkeeper and Investment Officer for filing with the Texas Ethics Commission as required by the Public Funds Investment Act. Upon a motion made by Director Lee and seconded by Director Yorlano, the Board voted unanimously to accept the Disclosure Statements from the District's bookkeeper and Investment Officer and to authorize filing with the Texas Ethics Commission.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. James reviewed the District's tax report, a copy of which is attached. She noted that the District's 2024 taxes were 14.56% collected by the end of December. Following review and discussion, Director Lee moved to approve the tax report and payment of the tax bills. The motion was seconded by Director Yorlano and passed unanimously.

#### LANDSCAPING IMPROVEMENT PROJECTS

Ms. Lee presented and reviewed the Landscape Architect report, a copy of which is attached.

Ms. Lee updated the Board regarding construction of the Sterling Lakes North Sections 2 and 3 Landscape Improvements and reviewed and recommended approval of Pay Estimate No. 12 and Final in the amount of \$65,740.60, payable to Landecor, LLC.

She also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Ms. Lee updated the Board regarding Sterling Lakes North (Canterra Creek) Sections 4 and 6 Landscape Improvements and reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$36,946.49, payable to Terry's.

Ms. Lee updated the Board regarding the construction of the Sterling Lakes North Recreation Center Facility and reviewed and recommended approval of Pay Estimate No. 10 in the amount of \$101,706.71 payable to Millis Development and Construction, LLC.

Ms. Lee updated the Board regarding the construction of Canterra Creek Karsten Boulevard Landscape Improvements and reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$66,207.60 payable to Woodcreek Landscape Company, Inc.

Following review and discussion, and based on the landscape architect's recommendation, Director Lee moved to: (1) approve the Landscape Architect report; (2) approve Pay Estimate No. 12 and Final in the amount of \$65,740.60, and to accept the facilities; (3) approve Pay Estimate No. 3 in the amount of \$36,946.49; (4) approve Pay Estimate No. 10 in the amount of \$101,706.71; and (5) approve Pay Estimate No. 2 in the amount of \$66,207.60. Director Yorlano seconded the motion, which passed unanimously.

STORMWATER PERMITTING MATTERS, INCLUDING APPLICATION FOR COVERAGE UNDER 2024 TPDES GENERAL PERMIT NO. TXR040000, AND APPROVE MASTER SERVICES AGREEMENT WITH STORM WATER SOLUTIONS AND PROPOSAL FOR SERVICES

Ms. Holoubek reported the District received notice from the Texas Commission on Environmental Quality ("TCEQ") regarding the newly regulated MS4s based on the 2020 Census. She stated the District is subject to the MS4 Permit requirements. She then presented and reviewed a Master Service Agreement from Storm Water Solutions, LLC ("SWS") to prepare a Stormwater Management Program in compliance with the Texas Pollutant Discharge Elimination System General Permit No. TXR040000, Small MS4 General Permit at a cost of \$25,000.00. Ms. Holoubek stated that SWS has recommended and prepared the Master Service Agreement to be shared with Brazoria County Municipal Utility District No. 32 ("BCMUD32") to save on costs. The Board reviewed and discussed the Master Service Agreement.

After review and discussion, Director Lee moved to approve the Master Service Agreement at a cost of \$25,000.00, to be split with BCMUD32. Director Chumley seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

Mr. Christopher reviewed the engineer's report, a copy of which is attached.

Mr. Christopher requested the Board authorize ELS to design and advertise for bids for the construction of the Cedar Rapids Commercial detention and mass grading ("Project"). He then reported that bids were received for construction of Cedar Rapids Commercial detention and mass grading. He recommended that the Board award the contract to DC Contracting Services ("DC"), the lowest bidder, in the amount of \$1,258,610.00. The Board concurred that, in its judgment, DC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Mr. Christopher reported that BCMUD32's Water Plant No. 2 Site Work project was included as part of the District's Project when it was advertised for bids in order to promote cost advantages. Ms. Holoubek presented and reviewed a Cost Sharing Agreement for Mass Grading, Detention, Clearing and Grubbing (the "Cost Sharing Agreement") between BCMUD32 and the District. She stated the Cost Sharing Agreement would ensure that BCMUD32 cover their portion of the construction contract.

Mr. Christopher requested the Board authorize ELS to design and advertise the construction of the Sterling Lakes Drive Extension Sanitary, Drainage, and Paving Facilities for bids.

Mr. Christopher updated the Board regarding construction of the Sterling Lakes North Lift Station and reviewed and recommended approval of Pay Estimate No. 8 in the amount of \$3,150.00, payable to 5J Services, LLC.

Mr. Christopher updated the Board on the construction of Karsten Boulevard North Phase 2 and reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$411,810.48, payable to Rodriguez Construction Group.

Mr. Christopher updated the Board on the Lake Edge Repair and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$71,741.25, payable to Anchor Excavators, Inc. ("Anchor Excavators"). He then reviewed and recommended approval of Change Order No. 1 to the contract to increase the contract in the amount of \$6,117.00. The Board determined that Change Order No. 1 is beneficial to the District.

Following review and discussion, Director Lee moved, based on the engineer's recommendation, to: (1) approve the engineer's report; (2) authorize the engineer to design and advertise for bids for the Cedar Rapids Commercial detention and mass grading; (3) approve Cost Sharing Agreement with BCMUD32; (4) award the contract for construction of Cedar Rapids Commercial detention and mass grading to DC in the amount of \$1,258,610.00, based upon the receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor;



(5) authorize the engineer to design and advertise the construction of the Sterling Lakes Drive Extension Sanitary, Drainage, and Paving Facilities for bids; (6) approve Pay Estimate No. 8 in the amount of \$3,150.00; (7) approve of Pay Estimate No. 3 in the amount of \$411,810.48; (8) approve Pay Estimate No. 1 in the amount of \$71,741.25; and (9) approve Change Order No. 1 in the amount of \$6,117.00 as an increase to the contract with Anchor Excavators, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Yorlano seconded the motion, which passed unanimously.

The Board reviewed correspondence concerning water quality in the District. Mr. Christopher noted that prior to the City of Iowa Colony's transition requirement of the District's facilities, the District had been taking the necessary steps to address and begin resolving the issue and all information had been made available to the City.

#### UPDATE ON DISTRICT ROAD POWER APPLICATION

Ms. Holoubek noted that the TCEQ approved of the District's Road Power Application.

#### APPROVE ENGINEERING REPORT AND RELATED BUDGET FOR FUTURE CAPITAL IMPROVEMENTS

The Board reviewed a bond engineering report prepared by ELS, a copy of which is attached.

#### 2025 BOND ELECTIONS AND OPERATION AND MAINTENANCE TAX ELECTIONS

Ms. Holoubek addressed the Board regarding the District's responsibilities and upcoming projects and source of funding for these projects. Discussion ensued regarding resident communication. Ms. Richmond and Ms. Chavez reviewed the POA's budget and funding request for amenity and recreational improvements.

#### ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2025 BOND ELECTIONS AND OPERATION AND MAINTENANCE TAX ELECTION

Ms. Holoubek discussed procedures related to the May 3, 2025, Bond Elections and Operation and Maintenance Tax Election (the "May 2025 Elections"). She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2025 Bond Election and Operation and Maintenance Tax Election Period.

## APPROVE CONTRACTING FOR ELECTION SERVICES WITH BRAZORIA COUNTY

Ms. Holoubek discussed entering into a contract with Brazoria County (the "County") to administer the May 2025, election.

## ADOPT RESOLUTION ADOPTING VOTING SYSTEM

Ms. Holoubek discussed voting system procedures related to the 2025 Bond Elections. She presented and reviewed a draft Resolution Adopting Voting System (the "Resolution").

## ADOPT ORDER CALLING BOND ELECTIONS AND OPERATION AND MAINTENANCE TAX ELECTION

Ms. Holoubek reviewed an Order Calling Bond Elections and Operation and Maintenance Tax Elections. She stated that the May 2025 Elections are necessary to authorize additional bonds and an increased limit on maintenance and operation taxes.

## AUTHORIZE NOTICE OF ELECTION

Ms. Holoubek discussed that a Notice of Election is required to be posted or published and provided to the Brazoria County Clerk and Voter Registrar of Brazoria County.

## AUTHORIZE PREPARATION AND POSTING OF VOTER INFORMATION DOCUMENT

Ms. Holoubek stated that the Voter Information document is required for a District that calls a bond election when the District has at least 250 registered voters in the District. She stated that the Voter Information document will be posted at each polling place and three public places inside the District and on the District's website.

## AUTHORIZE POSTING OF EARLY VOTING ROSTER

Ms. Holoubek stated that early voting rosters must be posted during the early voting period for the May 2025 Elections.

Following review and discussion, Director Lee made a motion to: (1) approve the bond engineering report, subject to incorporation of the comments provided by the Board, and direct that it be filed appropriately and retained in the District's official records; (2) adopt the Resolution Designating an Agent of the Secretary of the Board of Directors During the May 2025 Bond Elections and Operation and Maintenance Tax

Election Period appointing Arlene Catalan as the agent of the Secretary of the Board to perform the duties of the District's May 2025 Elections, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (3) approve the contract with Brazoria County for election services for the May 2025, election; (4) adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records; (5) adopt the Order Calling Bond Elections and Operation and Maintenance Tax Election and direct that the Order be filed appropriately and retained in the District's official records; (6) authorize posting or publication of the Notice of Election and providing the Brazoria County Clerk and Voter Registrar of Brazoria County the Notice of Election; (7) authorize preparation and posting of the Voter Information document; and (8) authorize posting of the early voting rosters during the early voting period for the May 2025 Elections, as required, and to direct that the rosters be filed appropriately and retained in the District's official records. Director Yorlano seconded the motion, which passed unanimously.

#### DEEDS AND EASEMENTS

Ms. Holoubek then presented and reviewed: (1) a 0.1422-acre access easement; (2) a Special Warranty Deed for a portion of Sterling Lakes North Section 2, Reserve B; (3) a Special Warranty Deed for 2.268-acres of Reserve M of Sterling Lakes at Iowa Colony Section 4; (4) a Special Warranty Deed for 4.635-acres of Reserve M of Sterling Lakes at Iowa Colony Section 4; and (5) a Special Warranty Deed for 0.1377-acres. After review and discussion, Director Lee moved to approve the above listed easement and deed. Director Chumley seconded the motion, which passed unanimously.

#### STERLING LAKES PROPERTY OWNERS ASSOCIATION'S ("POA") MATTERS

Ms. Chavez requested that the POA receive a list of property owners with fences encroaching on the District's easement so they may be properly notified. Mr. Zercher stated that Terry's would provide the list of addresses to the POA.

Ms. Richmond presented and reviewed a letter from the POA, a copy of which is attached, requesting the Board's consideration to enter into a cost sharing agreement in the amount of \$400,0000 per year for landscaping project. Discussion ensued regarding the request. The Board requested the POA consider accepting proposals from Terry's for landscaping. After review and discussion, the Board took no action.

#### DISCUSS GARBAGE AND RECYCLING MATTERS AND APPROVE APPROPRIATE ACTION

There was no discussion on this agenda item.



## REPORT ON DEVELOPMENT

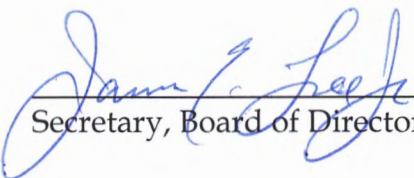
Mr. Wadley updated the Board on development in the District.

## NEXT MEETING DATE

The Board noted that the next regular meeting would be on February 27, 2025, subject to securing a quorum.

There being no further business to come before the Board, Director Chumley made a motion to adjourn the meeting. Director Lee seconded the motion, which passed unanimously.



  
Secretary, Board of Directors

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