

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 31

September 4, 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 4<sup>th</sup> day of September 2025, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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
Adrienne Brown	Assistant Secretary

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

Also present at the meeting were Timothy Varlack of the City of Iowa Colony; John Howell, Jr. of The GMS Group, LLC ("GMS"); Brett Burgin of Terry's Landscape LLC ("Terry's"); Demitra Berry of McLennan & Associates, LP; Cameron Brown of Assessments of the Southwest, Inc.; Stephanie Lee of KGA/DeForest Design LLC; Debra Vincent of Elevation Land Solutions; Justin Waggoner of Touchstone District Services, LLC ("Touchstone"); Josh Wadley of Land Tejas; and Jessica Holoubek, Allison Leatherwood, and Aidé Meza of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board offered any members of the public attending the meeting the opportunity to make a public comment. There being no members of the public requesting to make a public comment, the Board moved to the next agenda item.

The Board reviewed correspondence from the property owner of 9915 Onyx Trail Drive Rosharon, TX 77583 requesting a waiver of fees and penalties for their tax bill, a copy of which is attached. After review, the Board declined the property owner's appeal and directed ABHR to notify the property owner of the Board's decision.

APPROVE MINUTES

The Board considered approving the minutes of July 24, 2025, regular meeting.

Director Brown addressed the Board and inquired about the process for attaching consultant reports to minutes, branding ahead of the bond election, and

election outreach. Ms. Holoubek responded to Director Brown's questions and comments regarding the minutes and stated that the bond election will be discussed under agenda item no. 18.

Following review and discussion, Director Lee moved to approve the July 24, 2025, regular meeting minutes listed above, as presented. Director Chumley seconded the motion, which passed unanimously.

#### ANNUAL REPORT TO BOND REVIEW BOARD

Ms. Holoubek presented a memorandum regarding the required submission of an annual report to the Bond Review Board containing certain information about the District's voter-approved but unissued bonds, a copy of which is attached, and stated that ABHR will work with the District's consultants to prepare and submit the annual report by the September 30<sup>th</sup> deadline.

#### AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES

There was no report under this agenda item.

#### BOOKKEEPER'S REPORT

Ms. Berry reviewed the bookkeeper's report, including a budget comparison and the bills submitted for the Board's review. A copy of the bookkeeper's report is attached.

Discussion ensued regarding amending the District's budget.

Following review and discussion, Director Lee moved to approve the bookkeeper's report and the checks presented for payment. Director Chumley seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF DISTRICT'S INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time.

#### REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board then considered adopting a resolution establishing a list of authorized depository institutions and adopting a list of qualified broker/dealers with whom the

District may engage in investment transactions.

Upon a motion made by Director Lee and seconded by Director Brown, the Board voted unanimously to: (1) adopt a Resolution Regarding Annual Review of Investment Policy; (2) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions; and (3) direct that the Resolutions be filed appropriately and retained in the District's official records.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Brown reviewed the District's tax report, a copy of which is attached. She noted that the District's 2024 taxes were 99.01% collected by the end of August. Following review and discussion, Director Lee moved to approve the tax report and payment of the tax bills. The motion was seconded by Director Brown and passed unanimously.

#### REPORT ON DETENTION MAINTENANCE IN THE DISTRICT

Mr. Bergin presented and reviewed a report on maintenance of the detention facilities, a copy of which is attached.

Mr. Bergin presented and reviewed a proposal for fence line repairs and a one-time cleanup in the amount of \$3,206.91.

Mr. Bergin presented and reviewed a proposal to increase the frequency of landscape maintenance care from 12 visits per year to 19 visits per year, at a cost of \$4,577.10.

Mr. Bergin presented and reviewed a proposal for detention pond improvements for Pond No. 5, Pond No. 6, and Pond No. 7 in the amount of \$40,408.49.

The three proposals are attached to the report on maintenance.

The Board discussed details of the three proposals, including the recommended timeline for completing the work described within the largest proposal. Mr. Bergin answered questions from the Board regarding the capacity of the detention pond, bank erosion at the detention pond, and the District's responsibility for repairing current and future erosion issues. The Board discussed resident education about flood mitigation in the District and determined to authorize Terry's to proceed with the three proposals.

After review and consideration, Director Chumley moved to approve the proposals, as presented. Director Lee seconded the motion, which 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 the construction of Sterling Lakes North (Canterra Creek) Sections 4 and 6 Landscape Improvements and reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$5,427.96, payable to Terry's.

Following review and discussion, and based on the landscape architect's recommendation, Director Lee moved to: (1) approve the Landscape Architect report; and (2) approve Pay Estimate No. 9 in the amount of \$5,427.96. Director Yorlano seconded the motion, which passed unanimously.

## ENGINEERING MATTERS

Ms. Vincent reviewed the engineer's report, a copy of which is attached.

Ms. Vincent reviewed and recommended approval of Change Order No. 1 to the contract with Rodriguez Construction Group, LLC ("Rodriguez") for Karsten Boulevard North Phase IV water, drainage and paving to decrease the contract in the amount of \$122,984.60 and Change Order No. 2 to decrease the contract in the amount of \$76,142.26. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District. She then updated the Board regarding construction of Karsten Boulevard North Phase IV water, drainage and paving and reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$262,117.40 and Pay Estimate No. 4 and Final in the amount of \$350,787.21, payable to Rodriguez. Ms. Vincent also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Ms. Vincent reviewed and recommended approval of Change Order No. 1 to the contract with 5J Services, LLC ("5J") for Sterling Lakes North Lift Station to increase the contract in the amount of \$4,304.00. The Board determined that Change Order No. 1 is beneficial to the District. She then updated the Board regarding construction of the Sterling Lakes North Lift Station and reviewed and recommended approval of Pay Estimate No. 9 in the amount of \$7,923.60 and Pay Estimate No. 10 and Final in the amount of \$136,020.40, payable to 5J. Ms. Vincent also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Ms. Vincent updated the Board regarding construction of Cedar Rapids Commercial detention and mass grading and reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$7,565.85 and Pay Estimate No. 6 in the amount of \$14,889.50, payable to DC Contracting Services, LLC.

Ms. Vincent reviewed and recommended approval of Change Order No. 1 to the contract with Rodriguez Construction for the Sterling Lakes Drive Extension sanitary, drainage, and paving facilities project to decrease the contract in the amount of \$7,680.60. The Board determined that Change Order No. 1 is beneficial to the District. Ms. Vincent requested and recommended approval of Pay Estimate No. 3 in the amount of \$303,462.95, payable to Rodriguez Construction.

Following review and discussion, Director Lee moved, based on the engineer's recommendation, to: (1) approve the engineer's report; (2) approve Change Order No. 1 in the amount of \$122,984.60 as a decrease to the contract with Rodriguez, based upon the Board's finding that the Change Order is beneficial to the District; (3) approve Change Order No. 2 in the amount of \$76,142.26 as a decrease to the contract with Rodriguez, based upon the Board's finding that the Change Order is beneficial to the District; (4) approve Pay Estimate No. 4 and Final in the amount of \$350,787.21, and to accept the facilities; (5) approve Pay Estimate No. 3 in the amount of \$262,117.40; (6) approve Change Order No. 1 in the amount of \$4,304.00 as an increase to the contract with 5J, based upon the Board's finding that the Change Order is beneficial to the District; (7) approve Pay Estimate No. 9 in the amount of \$7,923.60; (8) approve Pay Estimate No. 10 and Final in the amount of \$136,020.40, and to accept the facilities; (9) approve Pay Estimate No. 5 in the amount of \$7,565.85; (10) approve Pay Estimate No. 6 in the amount of \$14,889.50; (11) approve Change Order No. 1 in the amount of \$7,680.60 as a decrease to the contract with Rodriguez Construction, based upon the Board's finding that the Change Order is beneficial to the District; and (12) approve Pay Estimate No. 3 in the amount of \$303,462.95. 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

There was no discussion on this agenda item.

\$9,500,000 UNLIMITED TAX BONDS, SERIES 2025

Mr. Howell reviewed with the Board the attached summary of bids received for the \$9,500,000 Unlimited Tax Bonds, Series 2025 ("Series 2025 Bonds"). Mr. Howell stated the bids were verified and the low bid was submitted by Raymond James & Associates, Inc. ("Raymond James") with a net effective interest rate of 4.765568%. He recommended the Board accept Raymond James' bid, as submitted.

The Board next considered adopting a Resolution Authorizing the Issuance of the District's Bonds ("Resolution"). Ms. Holoubek reviewed the Resolution with the Board and explained that the document sets forth, among other items, the terms and

provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding the tax-exempt status of the Bonds.

Ms. Holoubek reviewed with the Board the Paying Agent/Registrar Agreement with BOKF, NA.

Ms. Holoubek stated that the Preliminary Official Statement will be updated to include information regarding the bond sale.

Ms. Holoubek presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate").

The Board next considered authorizing the Board of Directors to sign all documents relating to the sale of the Bonds and authorizing the attorney and the financial advisor to take all necessary steps to deliver the Bonds to the purchaser.

Ms. Holoubek stated that it will be necessary for the District to submit payment to the Attorney General of Texas relating to bond transcript review.

Ms. Holoubek stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Brazoria County and the Texas Commission on Environmental Quality ("TCEQ") to reflect the bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board.

Ms. Vincent reported that the TCEQ inspection of facilities was completed, and no deficiencies were noted.

Following review and discussion, Director Lee moved to: (1) award the sale of the Series 2025 Bonds to Raymond James with a net effective interest rate of 4.765568%; (2) adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records; (3) approve the Paying Agent/Registrar Agreement with BOKF, NA; (4) approve the Official Statement for the Series 2025 Bonds and direct that the Official Statement be filed appropriately and retained in the District's official records; (5) authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records; (6) authorize the Board of Directors to sign all documents relating to the sale of the Bonds and authorize ABHR and GMS to take all necessary steps to deliver the Bonds to the purchaser; (7) approve payment to the Attorney General of Texas relating to bond issue transcript review; and (8) authorize execution of the Amendment to the Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Chumley seconded the motion, which passed unanimously.

## DEEDS AND EASEMENTS

Ms. Leatherwood presented and reviewed a respective special warranty deed for: (i) Sterling Lakes North Section 2, Reserves A, C, and D; (ii) Sterling Lakes North Section 3, Reserves A, B, C, D, E, F, and G; (iii) Sterling Lakes North Section 4, Reserves B, C, D, E, and F; and (iv) Sterling Lakes North Section 6, Reserve B. After review and discussion, Director Yorlano moved to approve the above listed special warranty deed. Director Chumley seconded the motion, which passed unanimously.

## DISCUSS 2025 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2025 tax rate. Mr. Howell distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2025 water, sewer, and drainage debt service tax rate of \$0.32161 per \$100 of assessed valuation, based on the District's initial 2025 certified value of \$559,000,000, plus \$13,000,000 representing the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Holoubek discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Lee moved to: (1) set the public hearing date for September 25, 2025; and (2) authorize the tax assessor/collector to publish notice in *The Pearland Reporter News* of the District's meeting on September 25, 2025, to set the proposed 2025 total tax rate of \$0.78 per \$100 of assessed valuation, with \$0.32161 allocated for debt service on water, sewer, and drainage bonds and \$0.45839 allocated for operations and maintenance. Director Yorlano seconded the motion, which passed unanimously.

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

There was no discussion on this agenda item.

## REPORT ON DEVELOPMENT

Director Chumley addressed the matter of the outstanding rebate owed by the City of Iowa Colony to the District. Mr. Varlack asked Ms. Holoubek to provide him with additional information regarding this matter.

Mr. Wadley reported on development in the District, including current home sales. The Board discussed details of home inventory in the District. Following discussion, there was no action on this matter.

## UPDATE ON WEBSITE AND ELECTION OUTREACH

Mr. Waggoner reported on the social media plan in connection with election outreach in the District. He inquired about details of the plan that are a priority to Board members and the Board answered questions from Mr. Waggoner. He stated that Touchstone will revise certain language within the social media plan and will distribute it for final Board and consultant review.

Mr. Waggoner reported that Touchstone does not have website analytics yet, but that the District's new website is live. He presented and reviewed a sheet of possible logo options for the District's website and branding, a copy of which is attached. The Board discussed the options and concurred to designate Director Brown as the Board liaison to coordinate with Touchstone on finalizing the website design, including the logo option and colors, to be presented at the next regular Board meeting.

## NEXT MEETING DATE

The Board noted that the next regular meeting would be scheduled for September 25, 2025.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



  
Secretary, Board of Directors



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