

**RICEWOOD MUNICIPAL UTILITY DISTRICT**  
**Minutes of Meeting of Board of Directors**  
**February 18, 2025**

The Board of Directors (the "Board") of Ricewood Municipal Utility District (the "District") met in regular session, open to the public on February 18, 2025, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting thereof, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Stephen Marcum, President  
Elaine Mundy, Vice President  
Carrie Prudhomme, Secretary  
Shelli Flores, Assistant Secretary  
Nick Nickoletti, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also attending the meeting were: Jessica Preston of Municipal Accounts & Consulting, L.P. ("MAC"); Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Ryan Vogler of Vogler & Spencer Engineering ("VSE"); Lucian Landreville of Equi-Tax, Inc. ("Equi-Tax"); Dee Russell of Touchstone District Services, LLC ("Touchstone"); Michael Murr of Murr Incorporated ("MI") and Park Rangers, LLC ("PR"); Michelle Kincer of Storm Water Solutions, LLC ("SWS"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); John Deboben of Windstone Development, Ltd.; Matt Fuqua of Blazer Building ("Blazer"); and Rick Barker and Katherine Edwards of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

**PUBLIC COMMENTS**

The Board next considered comments from the public. After noting that there were no members of the general public in attendance, the Board moved to the next item of business.

**MINUTES**

The Board next considered approval of the minutes of its meeting held on December 17, 2024. After discussion, Director Prudhomme moved that such minutes be approved, as written. Director Mundy seconded said motion, which carried unanimously.

**RATIFY PRIOR ACTION REGARDING THE APPROVAL AND AUTHORIZATION OF THE FILING OF INTERNAL REVENUE SERVICE FORM 8038-G RELATIVE TO THE \$2,660,000 UNLIMITED TAX BONDS, SERIES 2025 (THE "DISTRICT'S BONDS")**

The Board next considered ratifying its prior action relative to the approval of the execution and filing of Internal Revenue Service reporting form 8038-G relative to the District's Bonds. After discussion, it was moved by Director Flores, seconded by Director Prudhomme and unanimously carried, that such prior action be ratified and authorized in all respects.

**REVIEW AND DISCUSSION OF CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS AND INTERNAL REVENUE SERVICE RESTRICTIONS ON SAME**

Mr. Barker next discussed with the Board correspondence from SPH, as Bond Counsel, regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Bonds, a copy of which will be emailed to the Board. He advised the Board that certain periodic reviews and reports are required to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Barker also advised the Board that the District's bookkeeper would monitor investment rates and that the District's financial advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. Mr. Barker advised the Board, however, that compliance with the requirements is ultimately the responsibility of the Board.

**RATIFY APPROVAL AND EXECUTION OF AMENDMENT TO THE AMENDED AND RESTATED DISTRICT INFORMATION FORM**

The Board next considered ratifying its prior action relative to the approval and execution of the Amendment to the Amended and Restated District Information Form relative to the District's Bonds. After discussion, it was moved by Director Flores, seconded by Director Prudhomme and unanimously carried, that such prior action be ratified and authorized in all respects.

**RATIFY ANY OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S BONDS**

The Board next considered ratifying its prior action relative the approval of various documents to be executed by the Board in connection with the closing of the sale of the District's Bonds. In that regard, Mr. Barker discussed the various closing documents with the Board, including the No-Litigation Certificate, the District's Receipt, and a Federal Tax Certificate. After discussion, it was moved by Director Flores, seconded by Director Prudhomme and unanimously carried, that such prior action be ratified and authorized in all respects.

**AUDIT REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Mr. Eyring next reviewed with the Board a draft of the District's audit report prepared for the fiscal year ended September 30, 2024, a copy of which audit report is attached hereto as

**Exhibit A.** In connection therewith, he also presented the Board with a Management Letter prepared by Eyring, concerning the Board's internal controls over financial reporting (the "Management Letter"), which is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. Mr. Barker further discussed the Management Letter with the Board, as well as a draft response to same, prepared by SPH (the "Management Response"). After discussion concerning the audit report presented, Director Prudhomme moved that (i) the audit report for the fiscal year ended September 30, 2024, be approved, subject to final review by SPH, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, (iii) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality (the "TCEQ") and (iv) the draft Management Response be approved and be included in the final Management Letter. Director Mundy seconded said motion, which unanimously carried.

Mr. Eyring exited the meeting at this time.

#### **STATUS OF DEVELOPMENT OF THE APPROXIMATELY 4.5-ACRE TRACT OF LAND LOCATED WITHIN THE DISTRICT BY WINDSTONE DEVELOPMENT**

Mr. Deboen introduced Mr. Fuqua of Blazer Builders to the Board. Mr. Fuqua presented to and discussed with the Board various materials related to the proposed development of an apartment complex within the District, a copy of said materials is attached hereto as **Exhibit B**. Mr. Deboen and Mr. Fuqua exited the meeting at this time.

The Board discussed the proposed apartment complex within the District. Mr. Vogler discussed the District's remaining water and wastewater capacity and noted that the proposed apartment complex is requesting more water capacity than the District is able to allocate to the tract, given the remaining undeveloped property within the District. After discussion, Director Prudhomme moved that the request for water and sewer capacity for the proposed apartment complex be denied. Director Flores seconded said motion, which carried by a vote of four (4) in favor, zero (0) opposed and one (1) abstained, with Directors Mundy, Flores, Nicoletti and Prudhomme voting aye, and Director Marcum abstaining.

#### **BOOKKEEPER'S REPORT**

Ms. Preston presented and reviewed with the Board the Bookkeeper's Report, dated February 18, 2025, a copy of which is attached hereto as **Exhibit C**. After discussion, it was moved by Director Prudhomme that the Bookkeeper's Report be approved, and that the disbursements identified therein be approved for payment. Director Flores seconded the motion, which carried unanimously.

Ms. Preston next presented to and reviewed with the Board a Quarterly Investment Inventory Report prepared by MAC for the reporting period ended December 31, 2024, a copy of which is included with **Exhibit C**. After discussion, Director Prudhomme moved that the Board approve the Quarterly Investment Inventory Report and that the District's Investment Officers be authorized to execute same on behalf of the Board and the District. Director Flores seconded said motion, which carried unanimously.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Landreville presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month of January 2024, a copy of which is attached hereto as **Exhibit D**. After discussion on the matter, Director Prudhomme moved that the Board approve the Tax Assessor-Collector's Report and authorize payment of the disbursements identified therein from the District's tax account. Director Mundy seconded said motion, which carried unanimously.

## **SALES AND USE TAX REPORT BY REVENUE MANAGEMENT SERVICES**

The Board deferred consideration of a Sales and Use Tax Report and after noting that no representative from Revenue Management Services was in attendance.

## **DELINQUENT TAX REPORT**

Mr. Barker next reviewed with the Board a Delinquent Tax Report from the District's delinquent tax collection attorney, Ted A. Cox, P.C. ("Cox"), dated February 13, 2025, a copy of which is attached hereto as **Exhibit E**. The Board concurred that no action was required at this time.

## **RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION**

Mr. Barker reminded the Board that, at its last meeting, it considered the various tax exemptions that the District may grant, and that the Board requested Masterson provide an analysis on the potential impact of same for the Board's consideration. After discussion of the matter, Director Flores moved the District (a) not grant a residential homestead exemption and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$60,000 from ad valorem taxes levied by the District during the calendar year 2025, and that the Resolution attached hereto as **Exhibit F**, relative to same be approved and adopted by the Board and District. Director Prudhomme seconded said motion, which carried unanimously.

## **RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES**

Mr. Barker advised the Board it is authorized pursuant to Section 33.11 of the Texas Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes. The Board then considered the adoption of a resolution authorizing such additional penalty. After discussion, it was moved by Director Marcum, seconded by Director Flores, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit G**, be adopted.

## **SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE**

Mr. Barker next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to annually submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database, no later than April 1 of each year. Mr. Barker recommended that Eyring, the District's auditor, be authorized to prepare and submit the required information. Following discussion, Director Pruhomme moved, Director Mundy seconded, and it was unanimously carried that Eyring be authorized and directed to prepare the required information to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2025.

## **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR**

Mr. Barker advised that the procedures applicable to the adoption of the District's tax rate will depend in part, upon whether the District is a "developed district" under Texas Water Code Section 49.23602. Mr. Barker presented to and reviewed with the Board the Resolution Concerning Developed District Status for 2025 Tax Year. He then reviewed a worksheet completed by V&S to assist the Board in making this determination. A copy of the Resolution is attached hereto as **Exhibit H**. Following discussion, upon motion made by Director Prudhomme, seconded by Director Flores, and unanimously carried, the attached Resolution indicating that the District meets the criteria of a "developed district" was adopted by the Board.

## **RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board considered the review of the prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Barker reported that SPH is recommending that the District adopt the updated United States Department of Labor ("DOL") wage rate scales for Harris County, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Marcum moved that: (i) the wage rate scales for Harris County be adopted; (ii) the Resolution, a copy of which is attached hereto as **Exhibit I**, be approved as presented; and (iii) the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Prudhomme seconded said motion, which unanimously carried.

## **ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY**

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit J**. Mr. Barker advised that Senate Bill 1893, as passed during the 88<sup>th</sup> Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Barker noted that the social media

application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Barker further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Prudhomme moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Mundy seconded said motion, which unanimously carried.

### **APPROVAL OF PROPOSAL FOR RENEWAL OF DISTRICT INSURANCE COVERAGES**

The Board discussed the District's various insurance coverages scheduled to expire on March 31, 2025. In that regard, the Board reviewed a proposal received from Arthur J. Gallagher & Co. ("AJG") relative to the renewal of the District's current policies for the 2025-2026 term, a copy of which is attached hereto as **Exhibit K**. After discussion on the matter, Director Prudhomme moved that AJG's proposal for renewal of the District's insurance policies and bonds to extend through March 31, 2026, be accepted and that the President be authorized to execute same on behalf of the Board and the District, subject to the receipt of a Texas Ethics Commission ("TEC") Form 1295 from AJG. Director Mundy seconded said motion, which unanimously carried.

### **LANDSCAPE MANAGEMENT REPORT**

Mr. Murr next presented to and reviewed with the Board District's Landscape Management Report dated February 2025, a copy of which is attached hereto as **Exhibit L**. The Board concurred that no action was required at this time.

### **ENGINEER'S REPORT**

Mr. Vogler next presented to and reviewed with the Board an Engineer's Report dated February 18, 2025, regarding the status of pending construction projects, a copy of which is attached hereto as **Exhibit M**. After discussion, it was moved by Director Flores, seconded by Director Flores, and unanimously carried that the Engineering Report and all action items listed therein, be approved, including approval for Pay Estimate No. 9 to CFG Industries, LLC in the amount of \$212,573.75 and Change Order No. 2 in the amount of \$33,825.00 for the Water Plant Improvements at Water Plant No. 1. Ms. Bonilla-Odums noted that the \$33,825.00 for the Change Order was due to an error made by Inframark, and that the District will be credited such amount on a future Inframark bill.

### **PROPOSED ANNEXATION OF 2-ACRES INTO THE DISTRICT**

Mr. Vogler next updated the Board regarding the status of the annexation of the approximately 2-acre tract. It was noted no action was required at this time.

## **STORM WATER MANAGEMENT PROGRAM REPORT**

Ms. Kincer next presented to and reviewed with the Board the Storm Water Management Program Report prepared by Storm Water Solutions, LP dated December 2024, a copy of which is attached hereto as **Exhibit N**. No Board action was required.

Director Mundy next noted that the gate in one of the District's detention ponds has recently been left open and requested SWS investigate the matter and ensure that the gate remains closed and locked.

## **DISCUSSION OF OPERATIONS ADVISORY COMMITTEE MEETING FOR THE JOINT WASTEWATER TREATMENT PLANT ("WWTP")**

Director Prudhomme updated the Board regarding the February Operations Advisory Committee meeting for the WWTP. No Board action was required.

## **OPERATIONS REPORT**

Ms. Bonilla-Odums next presented to and reviewed with the Board the Operations Report dated February 18, 2025, a copy of which is attached hereto as **Exhibit O**. In connection therewith, she noted that Inframark is requesting Board authorization to send five (5) accounts totaling \$839.03 to collections. After discussion on the matter, Director Flores moved that Inframark be authorized to send three accounts to collections, as requested. Director Prudhomme seconded said motion, which unanimously carried.

Mr. Murr exited the meeting at this time.

## **WATER AND SEWER RATE ANALYSIS INCLUDING APPROVAL OF AN AMENDMENT TO THE DISTRICT RATE ORDER IN CONNECTION WITH SAME**

The Board deferred approval of amendment to the District's Rate Order in connection with the Water and Sewer Rate Analysis at this time,

## **REPORT REGARDING DISTRICTS COUNCIL**

Director Prudhomme had no update for the Board regarding upcoming events for the Katy Area Districts Council, a partner of the Katy Area Economic Development Council. No Board action was required regarding this matter.

## **DISTRICT SECURITY**

Director Mundy presented to and reviewed with the Board the Beat Activity Report from the Harris County Sheriff's Office for the month of February 2025, a copy of which report is attached hereto as **Exhibit P**. In connection therewith, she advised that she will invite officer Alexander Leal to attend the next board meeting.

## **COMMUNICATIONS REPORT**

Ms. Russell presented to and reviewed with the Board the Communications Monthly Report, a copy of which is attached as **Exhibit Q**. It was noted no Board action was required.

## **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. In connection therewith, Mr. Barker presented and reviewed with the Board a Customer Service Report from GFL this month relative to trash and recycling collection services, a copy of which is attached hereto as **Exhibit R**. It was noted no Board action was required.

## **OTHER MATTERS**

The Board next considered matters for possible placement on future agendas. After consideration on the matter, no specific agenda items, other than routine and ongoing matters and those discussed above, were requested.

## **ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Prudhomme, seconded by Director Flores and unanimously carried, the meeting was adjourned.

  
Secretary  
Board of Directors



## **LIST OF EXHIBITS**

Exhibit A	Audit Report for fiscal year ended September 30, 2024
Exhibit B	Blazar Builders Apartment Material
Exhibit C	Bookkeeper's Report
Exhibit D	Tax Assessor-Collector's Report
Exhibit E	Delinquent Tax Report
Exhibit F	Resolution Concerning Exemptions From Taxation
Exhibit G	Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
Exhibit H	Resolution Concerning Developed District Status for 2025 Tax Year
Exhibit I	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
Exhibit J	Order Establishing Policy for Covered Applications and Prohibited Technology
Exhibit K	Insurance Proposal 2025-2026 AJG
Exhibit L	Landscape Management Report
Exhibit M	Engineer's Report
Exhibit N	Storm Water Management Report
Exhibit O	Operations Report
Exhibit P	Deputy Beat Activity Report from HCSO
Exhibit Q	Communication Report
Exhibit R	GFL Customer Service Report