

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

October 20, 2021

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on October 20, 2021 at 11245 Harvest Bend Boulevard, Houston, Harris County, Texas, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Patrick Cieslewitz, President
Carla Christensen, Vice President
Ed Swannie, Director

and the following absent:

Robert Sumpter, Secretary
Bob Brengel, Treasurer.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Mr. Kim Cosco of Champions Hydro-Lawn; Mr. Jared Martin and Mr. Terry Fussell, District operators; Mr. Mason Mueller and Mr. Wayne Kimball, District engineers; Sergeant Martinez of the Harris County Precinct 4 Constable’s office; Ms. Erin Garcia, bookkeeper for the District; Ms Christie Leighton with Best Trash, LLC; Ms. Karen Brengel; Mr. Jonathan Roach, attorney for Reid Road MUD No. 2, as well as a quorum of the Board and other consultants of Reid Road MUD No. 2; and Ms. Melissa J. Parks, attorney for the District.

The President called the meeting to order and declared it open for such business as might regularly come before it. In the absence of Director Sumpter, Director Swannie was designated Secretary Pro Tempore and authorized to sign these minutes and attest all other documents approved at the meeting.

1. Mr. Martin presented the joint sewage treatment plant operations report which reflected 3,790 connections, no excursions, and plant operations at 43% of permitted capacity. Mr. Martin reported on the status of new backup power service to the plant office, work on the transfer pipe at aeration basin No. 3, and timing of delivery of the drum screen. After further discussion, upon motion by Director Christensen, seconded by Director Swannie, the boards voted unanimously to approve the operator’s report as presented.

2. Ms. Garcia presented the joint plant bookkeeper's report, copy attached. She reviewed the report, income and disbursements, and a budget comparison report for the first six months of the fiscal year. She also reported that a new bank account had been opened at Central Bank. Thereafter, upon motion by Director Swannie, seconded by Director Christensen, the boards unanimously approved the bookkeeper's report and authorized payment of the checks listed thereon.

3. Mr. Mueller addressed engineering matters and reviewed a written report, copy attached. He reported that the engineers are proceeding with design of repair work at storm and sanitary sewer outfalls adjacent to the sewage treatment plant. He then addressed recommendations for odor mitigation at the plant, noting that the operators have continued to obtain readings with the ORP meter. Wayne Kimball, another Cobb Fendley engineer, was in attendance and presented and reviewed a memorandum on a study of odor mitigation and remedial recommendations. The two main odor areas are in the preliminary treatment process where raw wastewater enters the plant, and during decant in the digestion process. Mr. Kimball noted the memorandum was not yet final nor had it been reviewed or commented on by the operators. After general review of four preliminary recommendations and associated costs, the Board agreed to address the subject further at an upcoming Board meeting. Thereafter, the Board voted unanimously to approve the engineer's report.

4. Ms. Parks discussed encroachments into the plant site by two property owners along Lazy Meadows Drive. She had drafted and would soon send letter agreements to the affected landowners concerning requirements for their use and maintenance of their encroaching property.

5. Sergeant Martinez reviewed a report on law enforcement activities that had occurred during the month.

6. The boards opened the floor for public comment, and no public comment was offered. The boards then generally discussed another mutual topic: the proposed residential solid waste collection contract of each district with Best Trash LLC. Service under a contract with Best Trash could begin January 1, with the first trash collection day on January 5, 2022. The District's Board indicated its intent to enter into the contract and provide formal notice of nonrenewal to Texas Pride Disposal. The Board understood that Reid Road MUD No. 2 intended

to enter into a similar contract with Best Trash. Thereafter, the Board and consultants of Reid Road No. 2 exited the meeting.

7. It was announced to the Board that Karen Brengel had delivered a letter of resignation from Director Bob Brengel. Next month the Board can act to accept the letter and appoint a director to fill the vacancy. The Board expressed its extreme fondness of and respect for Bob Brengel.

8. The Board reviewed the minutes of its meeting held September 15, 2021. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented. The Board then opened the floor for public comment, and none was offered.

9. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 99.296% collections of 2020 taxes, with \$10,770.79 remaining outstanding for the year. Regarding delinquencies, Ms. Goin asked on behalf of the delinquent tax collection attorneys for Board authorization to terminate water service to taxpayers who did not respond to letters demanding payment. After discussion, the Board unanimously authorized the action. The Board was then informed about taxation of a 1.98-acre tract not located within the District. While the Harris County Appraisal District's records show the tract within the District's boundaries, this is not the case. This situation came to light in connection with the request of the owner of the tract for annexation into the District. Ms. Goin has since apprised HCAD of these facts for correction of its records. Upon correction, HCAD will notify the District so that a tax refund can be processed. After full review of the tax assessor-collector's report, upon motion duly made, seconded and unanimously carried, the Board approved the report as presented and authorized release of the disbursements listed thereon.

10. The Board discussed the District's 2021 tax rate. The tax assessor-collector confirmed that her office had published notice of the Board's intent to hold a public hearing and set the 2021 tax rate at this meeting. The Board opened the public hearing on the proposed rate, but as there were no members of the public present to discuss the rate, the Board concluded the hearing. Thereafter, it appeared to the Board that the Harris County Appraisal District had prepared and certified to the District's tax assessor-collector the final 2021 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds and for maintenance purposes. It was moved, seconded and unanimously carried that there be passed and

adopted the attached Order accepting the final appraisal roll and setting a tax rate of \$0.1985 for each \$100 of assessed valuation shown on such roll for the purpose of debt service, and a rate of \$0.2692 for maintenance and operations purposes, for a total 2021 tax rate of \$0.4677. The Board executed an amendment to the District's Statement of Directors to reflect the tax rate, and the attorneys were directed to file executed copies with the Harris County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor-collector for the District a certified copy of the Order levying the tax. Ms. Goin stated her office would update the internet postings required of the District under the Texas Tax and Government codes in relation to setting the tax rate.

11. Ms. Garcia presented the bookkeeper's report, copy attached, reviewing activity and balances in all District funds and checks presented for payment of current bills. She also reviewed the budget comparison report for the first half of the District's fiscal year. Ms. Garcia requested Board approval of checks Nos. 1028 and 1029 which were not listed on the report. She confirmed that District accounts were in the process of being closed at BBVA/PNC and new accounts had been opened at Central Bank. The bookkeepers are obtaining a remote scanner to allow quick deposit of checks in the Central Bank accounts. The Board reviewed and approved the bookkeeper's investment report as well as the supplementary investment report prepared by Director Brengel. After further discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to approve the bookkeeper's report and investment reports and authorized release of checks for payment of current bills, including Nos. 1028 and 1029.

Finally, Ms. Garcia reported this would be her last regular meeting with the Board, as a conflict with the Board's regular meeting has arisen in her schedule. The Board appreciated her help over the years and would miss seeing her each month.

12. Mr. Cosco reported on the condition of parks and drainage facilities in the District and presented a written report, copy attached. He reported that the properties are in great shape and the overseeding on the flexmat looks good. He had provided information on solar powered lights to Directors Brengel and Sumpter and is prepared to discuss further when Director Sumpter is in attendance. He then presented a proposal to install tree rings for 121 trees in the channel area and in Harvest Bend and Penny parks and recommended proceeding with the work when the ground is more moist. The Board agreed with this recommendation and, upon

motion by Director Swannie, seconded by Director Christensen, unanimously accepted the proposal and approved the monthly report.

13. Mr. Martin presented the operator's report, copy attached. Water accountability was 94% for the month, and Mr. Martin noted that 2.3 million gallons had been supplied to White Oak Bend MUD. On the operator's recommendation the Board authorized deeming two accounts in the amount of \$570.74 as uncollectable and referring them to the collection agency used by the District. Mr. Martin then submitted a list of delinquent accounts to the Board for termination of utility service and stated that these customers had been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain or request correction of the charges, services or disconnection. The customers had neither attended the Board meeting nor contacted the operator's office or the District, and after discussion, upon motion duly made, seconded and unanimously carried, the Board authorized the operator to proceed with termination of utility service to said accounts pursuant to provisions of the District's Rate Order. After further discussion of operating matters, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented.

15. Mr. Mueller presented the engineer's report, copy attached. The phase 1 sanitary sewer smoke testing by Kleen Environmental should begin soon, as the contractor has begun mobilizing on site. Mr. Mueller reviewed an updated draft of the capital improvement plan which now also addresses the joint sewage treatment plant. Mr. Mueller intends to discuss this with the District's operators and provide more detailed information at an upcoming meeting. Mr. Mueller next noted he still has not received plans for review for the NHCRWA's Project 31A water transmission line, and, he awaits a response from the NHCRWA's design engineer on particulars of plans for chloramination facilities at the District's water plant.


Mr. Mueller addressed the proposed annexation of an improved 1.98-acre tract on Jones Road. Since the previous meeting, the engineer has advised the developer representative of estimated costs for updating the District's boundary map. Ms. Parks had also corresponded with the representative about the annexation, including the deposit of legal fees and submission of documentation needed to begin work to annex the property. She also informed the developer representative about the District's taxation of the property and a forthcoming refund.

The engineers have not received a response to their comments on plans for a proposed office/warehouse at 11300 Perry Road within the District, but Mr. Mueller confirmed District utility capacity is available for the project and he recommended issuance of a letter committing the capacity. Mr. Mueller also reported that capacity has been requested for a tenant buildout (Octapharma Plasma) at an existing commercial strip center at 10945 FM 1960 West within the District. Mr. Mueller stated that utility capacity adequate for the proposed project is available and recommended issuance of a utility commitment letter. Mr. Mueller would inform the requesting engineer about submission of plans for review and the required deposit for same. After discussion, the Board authorized issuance of the utility commitments and thereafter, approved the engineer's report as presented.

14. As discussed earlier during the joint portion of the Board meeting, the Board discussed the proposed residential solid waste collection contract with Best Trash LLC and approved it unanimously, subject only to minor clarifications. The Board directed issuance of formal notice to Texas Pride about non-renewal of its contract. Christie Leighton of Best Trash indicated that her company would deliver recycle bins in mid-December and work to conduct a smooth transition. The Board will ask Director Sumpter to notify the HOA, and requested Best Trash to provide an informational flyer for insertion into the District's next two monthly water bills to notify District customers of the change in service provider.

15. The attorney presented the quarterly review of insurance ratings, all of which the Board found to be acceptable. Finally, the Board briefly discussed a memorandum prepared by the attorney on Senate Bill 3 which affects Emergency Preparedness Plans and establishes new rules limiting water terminations and imposition of late fees by districts during extreme weather emergencies.

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


Secretary *pro Tempore*

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **11245 Harvest Bend Blvd., Houston, Texas.** The meeting will be held at **6:30 p.m. on Wednesday, October 20, 2021.**

The subject of the meeting is to consider and act on the following:

1. Consideration of wastewater treatment matters, including:
 - a. Operations and maintenance report; authorize repairs and maintenance
 - b. Bookkeeper's report and payment of bills
 - c. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts
 - d. Constable's patrol report
 - e. Agreements with landowners regarding site encroachments
 - f. Presentation of public comments
2. Approve minutes of meeting held September 15, 2021
3. Public Comment
4. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; status of delinquent taxes; authorize litigation as necessary; consider any taxpayer appeals; approve installment payment agreements, as necessary
5. Public Hearing on Proposed 2021 Tax Rate
6. Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2021
7. Amendment to Statement of Directors; update internet posting
8. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
9. Report regarding District's parks; proposal for installation of tree rings and mulch; authorize actions as necessary; quarterly maintenance report for Park on the Bend and trails
10. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts
11. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve pay requests and change orders; request(s) for service, utility commitment, or annexation of land
12. Review of Capital Improvements Plan; authorize actions as appropriate
13. Residential Solid Waste Collection Contract; authorize appropriate action
14. Quarterly Review of Insurance Ratings

15. Pending business, including:
 - a. annual review of Rate Order
 - b. North Harris County Regional Water Authority chloramination conversion at District water plant and surface water transmission line Project 31A
 - c. annexation of 1.98 acres on Jones Road
16. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.
17. Reconvene in Open Meeting to act on matters considered in Executive Session



Melissa J. Parks

Melissa J. Parks
Attorney for the District

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

**Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax
and Maintenance and Operation Tax for the Year 2021**

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on October 20, 2021, in accordance with the duly posted notice of the meeting, with a quorum of directors present as follows:

Patrick Cieslewitz, President
Carla Christensen, Vice President
Ed Swannie, Secretary Pro Tempore

and the following absent:

Bob Brengel, Treasurer
Robert Sumpter, Secretary

when the following business was transacted:

The Order set out below was introduced and considered by the Board. It was then moved, seconded and unanimously carried that the following Order be adopted:

Whereas, the Chief Appraiser of the Appraisal District in which the District participates has certified the tax roll of the District for the year 2021.

Whereas, in determining the tax rate to be levied, the Board has considered 1) the amount which should be levied for maintenance and operation purposes; 2) the amount which should be levied for the payment of principal, interest, and redemption price of each series of bonds or notes payable in whole or in part from taxes; and 3) the percentage of anticipated tax collections and the cost of collecting taxes, all in accordance with § 54.602(b) of the Texas Water Code.

Whereas, a majority of the electors voting in an election held for and within the District have heretofore approved and authorized the levy and collection of a tax for operations and maintenance purposes.

Therefore be it ordered by the Board of Directors as follows:

I.

The Board hereby directs that there be levied on all taxable property within the District an ad valorem tax for the year 2021 at the rate of \$0.2692 per \$100 of assessed valuation for maintenance and operations.

II.

The Board hereby directs that there be levied on all taxable property within the District an ad valorem tax for the year 2021 at the rate of 0.1985 per \$100 of assessed valuation for debt service.

III.

The Board hereby approves the tax roll of the District as prepared by the tax assessor-collector for the year 2021.

IV.

Taxes shall be due and payable when billed and shall be paid on or before January 31, 2022. All taxes not paid before February 1, 2022 shall become delinquent on that date, and penalty and interest will be added in accordance with the Texas Property Tax Code.

V.

The Board hereby authorizes and instructs the District's tax assessor-collector to assess and collect the taxes authorized by the Board in this Order.

VI.

The Board hereby authorizes the President, Vice President, or President Pro Tempore to execute this Order and Secretary, Assistant Secretary or Secretary Pro Tempore to attest to this Order on behalf of the Board and the District, and to do any and all things necessary to give effect to the intent hereof.



President

ATTEST:



Secretary *Pro Tempore*

