

## **REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1**

Minutes of Meeting of Board of Directors

February 16, 2022

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on February 16, 2022 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  
Karen Brengel, Treasurer  
Ed Swannie, Director

and the following absent:

Robert Sumpter, Secretary.

Also present were Mr. John Montgomery, District operator; Mr. Mason Mueller, District engineer; Ms. Brittini Silva, bookkeeper for the District; Ms. Robin Goin, tax assessor-collector for the District; Mr. Kim Cosco and Mr. Eric Scott of Champions Hydro-Lawn; Sergeant Martinez of the Harris County Precinct 4 Constable’s office; Mr. Jonathan Roach, attorney for Reid Road MUD No. 2, as well as a quorum of the Board of Directors of Reid Road MUD No. 2 and appropriate consultants of that district; 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 the Secretary, Director Christensen was designated Secretary Pro Tempore and authorized to sign the minutes of the meeting and resolutions or orders adopted at the meeting.

1. Mr. Montgomery presented the joint sewage treatment plant operations report reflecting 3,790 connections, no permit excursions, and plant operations at 38% of permitted capacity. Mr. Montgomery reported on repair of the transfer line in aeration basin No. 2 and noted that the transfer lines in basins Nos. 1 and 2 were sleeved and grouted in and did not require repair. While the basins were down the operators undertook other work and also determined that gate valves needed to be changed. This will be addressed in the capital improvements plan and Mr. Montgomery noted a long lead-time on obtaining new valves. Mr. Montgomery then discussed the condition of the plant site and had obtained a proposal from

Lupe Montoya of Two Amigos Landscaping Lawn Maintenance in the amount of \$3,800 to repair the damage. After discussion, upon motion by Director Swannie, seconded by Director Christensen, the Board authorized proceeding with the proposal and approved the operator's report as presented.

2. Ms. Silva presented the joint plant bookkeeper's report, copy attached, and reviewed income and disbursements since the last meeting. She also reviewed a ten-month budget comparison report as well as a proposed budget for the fiscal year ending March 31, 2023 within which she had included estimated expenditures for odor mitigation and the drum screen. After review of checks and further discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board approved the bookkeeper's report and authorized payment of the checks listed thereon.

3. Mr. Mueller presented an engineering report, copy attached, and reviewed it with the Board. The engineers expect to submit the design for proposed repairs of the wastewater treatment plant storm and sewer outfalls to Harris County Flood Control District later this month. Mr. Mueller addressed odor mitigation and reported he intends to meet with the District's operator and the engineer for Reid Road MUD 2 at the sewage treatment plant to discuss and further consider the best method for providing odor mitigation. Finally, Mr. Mueller reported that during the month he and the engineer for Reid Road MUD 2 had met with representatives of P&N Machine Company, Inc. about its request for the provision of utility service by one district or the other. As the District's lift station is closer to P&N's site, it was agreed the District is likely better suited to provide the requested service. P&N has made a deposit to cover the cost for preparation of an annexation and service feasibility study, and Mr. Mueller reported that the study is underway. After further discussion, the boards accepted the engineer's report.

4. Sergeant Martinez reported on law enforcement activities that had occurred during the month. Thereafter the boards opened the floor for public comment, but no public comment was offered. The Board and consultants of Reid Road No. 2 then exited the meeting.

5. The Board reviewed the minutes of its meeting held January 19, 2022 and upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented. Thereafter the Board opened the floor for public comment; none was offered.

6. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 94.101% collection of 2021 taxes through January 31. The taxable value of property in the District for 2021 is \$345,538,431. Ms. Goin reviewed disbursements from the tax account and noted that upon release, the balance in the tax account would stand at \$111,077.15. Upon motion by Director Swannie, seconded by Director Christensen, the Board voted unanimously to approve the tax assessor-collector's report and the disbursements listed thereon.

7. Consideration was next given to 2021 taxes remaining delinquent. After a discussion, upon motion duly made, seconded and unanimously carried, the Board approved and adopted the attached Order authorizing the levying of an additional 20% statutory penalty on business personal property accounts remaining delinquent on April 1, 2022 and on real property accounts remaining delinquent on July 1, 2022. This penalty defrays the attorney fees for collection.

8. Ms. Silva presented the bookkeeper's report, copy attached. She reviewed activity and ending balances in all District funds as well as checks presented for payment of current bills. Ms. Silva discussed the invoice from Best Trash and reported the company had charged the District an additional amount for pickups not completed in December by Texas Pride. The District only paid Texas Pride for one-half of the amount it billed for work performed in December. The Board further discussed final payment to Texas Pride and now agreed to pay the remaining amount originally invoiced for December, less the amount charged by Best Trash. The bookkeeper then reported she had confirmed that the City of Houston had sent Strategic Partnership Agreement funds to the District's closed account at BBVA. This has been brought to the City's attention and is being addressed. Ms. Silva continued with review of the report, including a budget comparison report covering ten months of activity as well as a proposed budget for the fiscal year ending March 31, 2023. At the Board's request, Ms. Silva will add an expenditure for replacement of Badger Meter endpoints based on information to be provided by Mr. Montgomery. Finally, Ms. Silva reviewed the investment report and thereafter, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to approve the bookkeeper's report and investment report and authorized release of checks for payment of current bills.

9. The attorney confirmed that her office would complete and submit the annual report to the Texas Comptroller required by Senate Bill 625 (Texas Local Government Code, Chapter 203, Subchapter D).

10. Ms. Silva discussed a request by Myrtle Cruz, Inc. for amendment of the company's bookkeeping contract with the District. A draft contract had been provided for Board review, and Ms. Silva discussed the proposed amendments, including fee increases. Ms. Parks confirmed she had previously reviewed and commented on the contract. The Board discussed the matter and thereafter, upon motion by Director Christensen, seconded by Director Brengel, voted unanimously to approve the amendment and authorized execution of the Amended and Restated Agreement for Bookkeeping Services with Myrtle Cruz, Inc.

11. Mr. Cosco introduced new Champions Hydro-Lawn employee Eric Scott to the Board and noted his horticultural and landscaping background. Mr. Scott will begin acting as the District's account manager. Mr. Cosco then reviewed the monthly parks report and noted that another small sinkhole had been observed on the top of the west slope in the Park on the Bend. He and Mr. Scott will check into this and have it repaired at no charge unless the situation calls for major repairs which they would then address as necessary with the Board. Mr. Cosco then discussed two items in Penny Park and at the Board's request will repair a damaged piece of playground equipment by welding the metal. Mr. Cosco also recommended adding more playground mulch at a proposed price not to exceed \$2,000. After discussion, the Board authorized proceeding with the work.

12. Mr. Montgomery presented the operator's report, copy attached. Water accountability for the month 99%, and there were no accounts to be deemed uncollectable and referred to a collection agency. Mr. Montgomery submitted a list of fifty-two delinquent accounts to the Board for termination of utility service. These customers have 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.

Mr. Montgomery reported on the status of repair work at the District's administration building, noting that all repairs had been made except for work to repair air

conditioner piping. Mr. Montgomery addressed problems with two of the five surveillance cameras and would obtain bids from several companies, including Sentri-Force, for Board review and approval. Director Swannie noted his recent employment by Sentri-Force and would abstain from participating in decisions involving his employer. After further review of operating matters, upon motion by Director Christensen, seconded by Director Swannie, the Board approved the operator's report as presented.

13. The Board discussed the District's red flag/identity theft policy, copies of which had previously been provided, as well as a letter from the operator approving the current policy. Therefore, after a brief discussion, the Board unanimously approved the attached Resolution affirming Board review of the existing identity theft program. The attorney stated her office was conducting its annual review of the District's interconnect contracts and if there were any issues needing attention, she would notify the Board.

14. Mr. Mueller presented the engineer's report, copy attached. He began by addressing the North Harris County Regional Water Authority's water transmission line and related easements and the chloramination facilities at the District's plant. The Authority still has not submitted plans for the transmission line for District review, and Cobb Fendley continues with design of the chloramination facilities. Discussions with the Authority continue. Mr. Mueller then discussed review by the engineers of the smoke testing data from Kleen Environmental. He discussed his recommendations for addressing deficiencies in lateral connections and suggested delaying work on main line deficiencies until they can be investigated further in a future sanitary sewer cleaning and televising project. The Board discussed this matter, agreed with the engineer's recommendations, and authorized the District's operator to move forward with five of the seven problem areas noted on page 1 and replacement of the cleanout caps and other minor repairs on page 2 of the attached document.

Mr. Mueller then discussed proposed capital improvements, noting that he and the District's operator had recently discussed odor mitigation and other possible projects. They will confer further on this, after which the engineer will update the proposed capital improvements plan. Mr. Mueller then discussed requests for District service. Plans for a proposed convenience store/gas station at 11300 Perry Road within the District had been received and are under review. A utility commitment had been provided to the developers of a proposed warehouse facility at 11010 Jones Road (Mulligan's tract). The engineer and attorney are working with this developer on easements that will be needed for District water and sewer lines to be constructed across three

tracts of land south of this project. To that end, the Board authorized the Board President to execute a letter from the District to these landowners informing them of the need for the easements and encouraging them to contact the developer or the District with any questions. After further discussion of engineering matters, the Board unanimously approved the report.

15. The Board discussed renewal of the District's contract for law enforcement patrol expiring February 28. The new contract that was initially provided had since been amended to provide for patrol by two officers and was now formally approved by the Board.

16. The Board discussed the status of a proposed agreement with White Oak Bend MUD for an electricity connection to serve a security camera to be installed at a District lift station. Revisions to the proposed agreement had been forwarded to the attorney for White Oak Bend MUD, and the final agreement was now provided for Board approval and execution. After discussion, the Board provided its unanimous approval of the agreement, subject only to final review by Ms. Parks.

There was no need for an executive session and no further business to come before the Board, so the meeting was adjourned.

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Secretary