

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
Minutes of Meeting of Board of Directors
March 16, 2022

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on March 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
Robert Sumpter, Secretary
Karen Brengel, Treasurer
Ed Swannie, Director

and the following absent:

None.

Also present were Ms. Brittini Silva, bookkeeper for the District; Ms. Robin Goin, tax assessor-collector for the District; Mr. John Montgomery, District operator; Mr. Mason Mueller and Mr. Wayne Kimble of Cobb Fendley & Associates, Inc.; Mr. Kim Cosco and Mr. Erik Scott of Champions Hydro-Lawn; Sergeant A. Martinez of the Harris County Precinct 4 Constable’s office; Mr. Jonathan Roach, attorney for Reid Road MUD No. 2, remotely by telephone, 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.

1. Mr. Montgomery presented the joint sewage treatment plant operations report reflecting 3,790 connections, no permit violations, and plant operations at 40% of permitted capacity. Mr. Montgomery reported the delivery date for the new drum screen has again been delayed. There have been no recent complaints about odor from the plant. Mr. Montgomery reported on his meeting with Joshua Post of SentiForce about replacing the outdated security camera system at the plant and stated he planned to obtain more information and provide it to the boards. He had included the \$12,000 per year cost for new cameras in the plant operating budget. After discussion, upon motion by Director Christensen, seconded by Director Brengel, the Board voted unanimously to approve the operator’s report as presented.

2. Ms. Silva presented the joint plant bookkeeper's report, copy attached, reviewing income and disbursements since the last meeting. She also reviewed an eleven-month budget comparison report and presented a proposed operating budget for the fiscal year ending March 31, 2023. The Board carefully reviewed the proposed budget and discussed possible sources for payment of costs of odor mitigation facilities, agreeing for now to include such expenditure in the plant budget. After review of checks and further discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to approve the bookkeeper's report and authorized payment of the checks listed thereon, and adopted the attached Resolution adopting the joint plant budget for the fiscal year ending March 31, 2023.

3. Mr. Mueller presented an engineering report, copy attached. The engineers have submitted the design for proposed repairs of the wastewater treatment plant storm and sewer outfalls to Harris County Flood Control District for review. Mr. Mueller addressed odor mitigation and reviewed an updated memo on the subject, copy attached. After further discussions with the District's operator as well as the engineer for Reid Road MUD No. 2, Mr. Mueller and Mr. Kimble recommend the boards consider proceeding with alternative No. 2 for installation of an aerobic digester cover and a biotrickling filter at an estimated project cost of \$803,889. He and Mr. Kimble discussed details with the Boards and noted comments had not yet been received from Reid Road MUD No. 2's engineer. Mr. Mueller estimated timeframe for design of this project at three to four months and construction between eight and ten months. The Boards agreed to further discuss the matter at a future meeting and thereafter approved the engineer's report.

4. Sergeant Martinez reported on law enforcement activities occurring during the month. The boards then 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 February 16, 2022 and upon motion by director Christensen, seconded by Director Swannie, the Board approved the minutes as presented. Thereafter the Board opened the floor for public comments; and none were offered.

6. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 96.322% collection of 2021 taxes through February 28. The taxable value of property in the District for 2021 is \$345,797,550. After disbursements from the tax account the account balance would stand at \$103,001.84. Finally, Ms. Goin presented a report from the

delinquent tax collection attorneys and thereafter, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the disbursements listed thereon.

7. Ms. Silva presented the bookkeeper's report, copy attached, and reviewed activity and ending balances in all District funds as well as checks presented for payment of current bills. She also reviewed a budget comparison report covering eleven months of activity and presented and reviewed a proposed budget for the fiscal year ending March 31, 2023. The Board and bookkeeper reviewed the proposed budget in detail and agreed several line-item expenditures should be added. The Board also discussed budgeting for the District's share of work at the joint treatment plant and the source of funding for projects listed in the engineer's draft capital improvements plan. After discussion, upon motion by Director Sumpter, seconded by Director Swannie, the Board voted unanimously to adopt the attached Resolution adopting an operating budget, amended as discussed at this meeting, for the District's fiscal year ending March 31, 2023. Further, upon unanimous vote, the Board approved the bookkeeper's report and investment report and authorized release of checks for payment of current bills.

8. It was confirmed that pursuant to a previous engagement, the District's auditors, McCall Gibson Swedlund Barfoot, PLLC, would audit the District's books and records for the fiscal year ending March 31, 2022 at an estimated fee of between \$15,500 and \$16,500. The auditors would also perform a joint plant audit for the same period at an estimated fee of between \$4,250 and \$4,750.

9. Mr. Montgomery presented the operator's report, copy attached. Water accountability for the month was at 95%, and there were no accounts to be deemed uncollectable and referred to a collection agency. Mr. Montgomery submitted a list of thirty-one 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 reviewed in further detail a memorandum on installation of a surveillance system by SentiForce at the District's administration building and water and sewer

plant facilities. The District would not own, maintain or upgrade the surveillance equipment. The Board discussed possible legal issues related to privacy, and also discussed the cybersecurity of the equipment. The Board appreciated the information and looked forward to receiving more details. Director Swannie noted he is no longer in the employ of SentiForce. After further review of operating matters, the Board unanimously approved the monthly report.

10. Mr. Mueller presented the engineer's report, copy attached. Mr. Mueller would be meeting with representatives of the North Harris County Regional Water Authority at the end of this week about design of chloramination facilities at the water plant. He then discussed proposed capital improvements and noted he had updated the list to include installation of odor mitigation facilities at the joint wastewater treatment plant. Additional projects may be added after further consultation with the District's operator. Mr. Mueller reported the Phase II smoke testing should begin in early April and then discussed progress with existing requests for service both inside and outside the District. Mr. Mueller next mentioned being contacted today by representatives of Emerald Forest PUD about a proposed water line extension along FM 1960 and installation of an additional emergency water interconnect. The Board indicated its general interest, especially if Emerald Forest would pay for design and installation of the facilities. Mr. Mueller had also been contacted today by the engineers for Cypress Fairbanks ISD concerning the school district's proposed development of a park on seven acres near the District. The Board agreed to review and consider any specific information provided by the school district. After further discussion of engineering matters, the Board unanimously approved the report.

11. Mr. Scott reviewed the monthly parks report and updated the Board on work done by Champions Hydro-Lawn since the last meeting. There were no new projects for District review or approval. After review of the report, the Board unanimously approved it.

12. The Board addressed matters regarding the May 7, 2022 election of directors. Pursuant to relevant provisions of the Texas Election Code, the Secretary presented to the Board an executed Certificate of Unopposed Candidacy and No Declared Write-In Candidates. After reviewing the Certificate and determining that no proposition is to appear on the ballot, upon motion duly made, seconded and unanimously carried, the Board voted to accept the Certificate and adopted the attached Order Declaring Unopposed Candidates Elected and Canceling Election. The Board noted that a copy of said Order would be posted on election day as required by law.

13. Mr. Montgomery reported on the status of repair work at the District's administration building, noting that all repairs have been completed.

14. Ms. Parks reported that the attorneys for White Oak Bend MUD had provided an additional page to the exhibit attached to the agreement for an electricity connection to serve a security camera to be installed on a District lift station site. With this addition to the proposed agreement, the Board considered the agreement final and effective.

15. The Board discussed water line easements requested by the North Harris County Regional Water Authority. Ms. Parks reported that the Authority had agreed to pay a total of \$6,000 for parcels 31A-9 and 31C-19. The Board found this compensation adequate and thereafter, upon unanimous vote, agreed to convey the requested rights-of-way and easements to the Authority.

16. The Board discussed pending business, including the upcoming summer conference of the Association of Water Board Directors as well as a spring breakfast. Several directors requested the assistance of the District's bookkeeper in registering for these events.

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


Secretary