

MINUTES OF REGULAR MEETING
CHELFORD CITY MUNICIPAL UTILITY DISTRICT
HARRIS AND FORT BEND COUNTIES, TEXAS

CHELFORD CITY REGIONAL WASTEWATER TREATMENT FACILITY

14 March 2022

STATE OF TEXAS §
COUNTIES OF HARRIS AND FORT BEND §

The Board of Directors (the "Board") of Chelford City Municipal Utility District (the "District") of Harris and Fort Bend Counties, Texas, met in regular session, open to the public, on the 14th day of March 2022, at the Chelford City Regional Wastewater Treatment Facility Administration and Maintenance Building, 15027 Alief-Clodine Road, Harris County, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

John L. Gardner	President
Johnnie M. Brumfield	Vice President
Anna Ochoa	Secretary/Treasurer & Investment Officer
Bryant Magee	Asst. Vice President & Asst. Secretary
Warren Hector	Asst. Vice President & Asst. Secretary

and all of said persons were present, thus constituting a quorum.

Also attending were Taylor Reed, P.E., and Norman Scholes, P.E., of Vogler & Spencer Engineering, Inc. ("VSE"), the District's Engineer; Nick Alwine of the board of directors of Chelford One Municipal Utility District ("Chelford One"); Gary Gassmann of the board of directors of Harris County Municipal Utility District No. 120 ("HCMUD 120"); David Bugyi of the board of directors of Harris County Municipal Utility District No. 147 ("HCMUD 147"); and Deborah Cupples of the board of directors of Mission Bend Municipal Utility District No. 1 ("MBMUD 1").

Attending the meeting via teleconference were Diane Bailey and Demitra Berry of McLennan & Associates, the Bookkeeper for the Chelford City Regional Wastewater Treatment Facility (the "Plant"); Carlous Smith and Ramon Castillo of Si Environmental, LLC, ("SiEnviro"), the Operator of the Plant; Tanny Busby and Laura Bonjonia of Envirodyne Laboratories, Inc. ("Envirodyne"); Winetta Billings, Eston Hupp, Connie Fowler, and Mike Martin of the board of directors of Chelford One; Frances Browning, Bill Hammer, and Sylvia Martinez of the board of directors of HCMUD 120; Carol McDonald, Kay Haynie, and Mike Alderfer of the board of directors of MBMUD 1; Mary Bertrand, Susan Johnson, Brenda Whitehead, Judy Villagomez, and Marlene Weppler of the board of directors of Mission Bend Municipal Utility District No. 2 ("MBMUD 2"); Leroy Eaglin, a resident of MBMUD 2; Patrick Newton, P.E., of LJA Engineering & Surveying, Inc., engineer for HCMUD 120; Luis Pirela, P.E., of Langford Engineering,

Inc., engineer for MBMUD 2; and Dick Yale, Will Yale, Christopher Hsu, and David Green of Coats Rose, P.C., the District's Attorney.

Director Gardner called the meeting to order.

Comments from the Board

Director Gardner expressed his concern regarding the recent delivery of a 2,000-pound chlorine cylinder (the "Cylinder") at the Plant site. Mr. Smith explained that Cylinder was scheduled to be delivered on 9 March 2022 but the delivery truck had broken down. He added that he instructed the delivery driver to drop the Cylinder off at the Plant site on the evening of 10 March 2022. Mr. Smith stated that in the future he would instruct delivery drivers to defer delivery to the following Monday when personnel are present rather than have supplies dropped off at the Plant site on a weekend.

Approval of Minutes

The minutes of the meeting of 14 February 2022 were presented for the Board's consideration. Upon a motion duly made and seconded, the Board voted to approve the minutes of the meeting of 14 February 2022, as written.

Operations Report

Mr. Smith reviewed the work performed at the Plant during the past month, as included in the Maintenance Items listed in the Operations Report, a copy of which is attached hereto. He noted that the return activated sludge pump No. 1 had been removed from service for the third time. Mr. Smith then called the Board's attention to the Vibration Analysis Report for the digester blowers and process water pumps dated 28 February 2022 as prepared by G-M Inspection Services, Inc. in connection with the vibration readings collected at the Plant during February 2022. A copy of the Vibration Analysis Report is included with the Operations Report.

Mr. Smith reported that the Plant had not experienced any violations of the Permit to Dispose of Wastes for the reporting period of January 2022. He added that during January 2022 the Plant operated at 31.9% of its permitted capacity. He briefly reviewed the photographs of the work performed at the Plant, as included in the February 2022 Invoice, a copy of which is attached hereto. The Board then reviewed the Connection Account History for the Plant as included in the Operator's Report.

Bookkeeper's Report

Next, Ms. Berry submitted the Bookkeeper's Report for the Plant for the Board's consideration. She reviewed the bills to the Plant and the checks prepared in payment thereof. She then reviewed the payments of the Plant's expenses for the month of January 2022 as received from the Plant's participants.

Ms. Berry discussed with the Board the invoices received from AT&T Texas for the telecommunication service at the Plant (the "Telecommunication Service"). She explained that the rate billed to the District for the Telecommunication Service had increased significantly because the contract with AT&T Texas had expired. Mr. Smith discussed the Telecommunication Service with the Directors. The Board authorized Mr. Smith to contact AT&T Texas and strive to extend the contract for the Telecommunication Service or enter into a new contract for same.

Then the Directors examined the Operating Budget for the fiscal year ending 30 September 2022 and the Budget Comparison for February 2022, copies of which are included with the Bookkeeper's Report. The Board also reviewed and discussed the Accounts Receivable Recap and the Schedule of Special Projects Operating Budget as presented in the Bookkeeper's Report.

The Board completed the review of the bills to the Plant and the checks in payment thereof. Upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the bills of the Plant. A copy of the Bookkeeper's Report for the Plant is attached hereto.

Testing and Analysis of Wastewater Collection System

Then Mr. Busby reviewed the report on the results of testing and analyses at the Plant and in the Plant's collection system, a copy of which is attached hereto. He stated that the overall results of the compliance monitoring of the Plant's collection system were good but expressed his concern over the presence of volatile organic compounds and toluene in the Plant influent. Ms. Bonjonia then reported that the biomonitoring testing was scheduled to be performed on 14, 16, and 18 March 2022.

Engineer's Report

Next, Mr. Reed presented the Engineer's Report, a copy of which is attached hereto.

Mission Bend Integrated Water System (the "IWS"). Mr. Reed reported on the status of the water plants in the IWS, as detailed in the Engineer's Report attached hereto. He called the Board's attention to a proposal from VSE (the "VSE Proposal") to (1) perform certain engineering evaluations related to the operation of the Integrated Water System during times of natural disaster or other power outages; and (2) prepare a combined WaterCAD model for all member water districts in the Integrated Water System (collectively, the "Study"). A copy of the VSE Proposal is included with the Engineer's Report. The Directors noted that VSE proposed to perform the Study on an hourly basis with a cost not to exceed \$50,000. Mr. Reed noted that the cost for the Study would be divided between the member water districts in the Integrated Water System. Mr. Reed then reported that VSE had confirmed that surface water was scheduled to be delivered to the Integrated Water System by the West Harris County Regional Water Authority in the first quarter of 2025. He stated that in 2023 the District's

Engineer would need to begin the design work for converting the disinfection systems in the water plants in the Integrated Water System to use chloramines instead of chlorine.

Odor Control Project at Lift Station B. Mr. Reed reported on the contract with N&S Construction Co., LP (called "N&S") for construction of the Odor Control Project. The new unit is in service, he told the Board, and N&S is addressing the punch list items.

Wi-Fi System for Plant SCADA. The Board discussed the status of the upgrades to the Wi-Fi System at the Plant by Fitch Services, Inc. ("Fitch"). Mr. Reed reported that Baird Gilroy & Dixon, LLC ("BGD") had completed the updates for the SCADA system to communicate with the new units. He added that Fitch still needs to install certain items on the clarifiers.

Non-potable Water System for Plant (the "NPW System"). The Directors then discussed the contract with C3 Constructors, LLC (called "C3") for construction of the NPW System at the Plant. Mr. Reed reported that the pumps for the NPW System were in service. He noted that C3 was working on painting and the demolition of the existing system.

Waste Activated Sludge Pumps (the "Sludge Pumps"). Mr. Reed reported on the contract with Sustanite Support Services, LLC for the Sludge Pumps project. He stated the construction of the Sludge Pumps project had commenced.

Lightning Protection System. The Board discussed the contract with C. F. McDonald Electric, Inc. ("McDonald") for the Lightning Protection System. Mr. Reed reported that McDonald had commenced work on the Lightning Protection System.

Plant Administration Building Ventilation. Mr. Reed reported on the contract with GH Mechanical & Services, LLC ("GHMS") for the proposed improvements to the ventilation system in the Plant Administration Building (the "Ventilation Improvements"). He remarked that construction of the Ventilation Improvements was continuing. Mr. Reed stated that the HVAC system would be started up later this month after the meeting of the board of directors of MBMUD 1. He then informed the Board that GHMS has submitted Pay Estimate No. 1 in the amount of \$32,850 in connection with the Ventilation Improvements. A copy of Pay Estimate No. 1 is included with the Engineer's Report.

Plant Administration Building Acoustical Improvements. Mr. Reed discussed with the Board matters relating to the proposed acoustical improvements to the meeting room at the Plant Administration Building to reduce echoes and reverberation. He reported that the acoustic materials for use in the Plant Administration Building (the "Acoustic Materials") have been ordered from Acoustical Solutions as authorized at the Board's meeting on 7 February 2022. He then reported that David Caporal of L&L Acoustics had proposed to install the Acoustic Materials and paint the walls, ceiling, restrooms, and closets in the Plant Administration Building at a cost of \$4,330.50 (collectively, the "Installation Project"). Mr. Reed recommended authorizing the work on

the Installation Project to commence in April 2022 following the meeting of the board of directors of MBMUD 1.

West Harris County Municipal Utility District No. 4 ("WHCMUD 4") / Possible Request for Service. The Board discussed the request from WHCMUD to purchase wastewater treatment capacity in the Plant (the "Capacity"). Mr. Reed reported that WHCMUD 4 had placed a deposit of \$10,000 with the District and accordingly VSE had begun to calculate the cost per gallon for the purchase of the Capacity.

City of Houston (the "City") / Withdrawal from Plant. Mr. Reed stated that he had nothing new to report at this time regarding the future withdrawal by the City from the Plant.

Electrical Conversion (4160V to 480V) and Positive Displacement Blower Upgrade (the "Conversion"). Mr. Reed reported that VSE was working with electrical engineer to prepare on a cost estimate for the Conversion project.

Turbo Blower Replacement. Mr. Reed reported that the District's Engineer is devising a plan to phase out the existing blowers as they reach the conclusion of the 10-year warranty period.

Five-Year Plan. Mr. Reed reported that VSE was preparing cost estimates for each project listed in the Five-Year Plan. He added that VSE was waiting for the contractors to provide pricing for certain key items that were necessary for calculating the cost estimates.

Plant Auxiliary Generator / Maintenance Service Agreement. Mr. Reed presented for the Board's review and approval the proposed Maintenance Service Agreement with Taylor Sudden Service ("Taylor") to perform (1) annual maintenance on the auxiliary generator at the Plant (the "Generator"); (2) three follow-up 41-point inspections; and (3) a 2-hour or 4-hour load bank test. He explained that the Generator was nearing the completion of the one-year warranty period on the contract with McDonald and accordingly it was recommended by the District's Engineer that the District enter into the Maintenance Service Agreement for the services as described above. The Directors expressed their preference the 4-hour load bank test.

Headworks A and B Screens. Mr. Reed called the Board's attention to the invoices submitted by Vision Equipment as follows: (1) an invoice in the amount of \$21,500 for refurbishing the control panel on the Headworks A Screen; and (2) an invoice in the amount of \$118,500 for rehabilitation of and upgrading the Headworks B Screen (collectively, the "Vision Invoices"). Copies of the Vision Invoices are included with the Engineer's Report.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) authorize payment of Pay Estimate No. 1 to GHMS ; (3) accept the proposal from Mr. Caporal and authorize him to proceed

with the Installation Project as described above; (4) approve the Maintenance Service Agreement with Taylor with the option for the 4-hour load bank test and authorize execution of same; and (5) authorize payment of the Vision Invoices. A copy of the Maintenance Service Agreement as approved by the Board is attached hereto and shall be considered to be part of these minutes.

Attorney's Report

Mr. Dick Yale presented the Attorney's Report.

Amendments to Rate Order. Mr. Yale discussed with those in attendance the amendments to the District's Consolidated Rate Order (the "Rate Order") as adopted by the Board on 7 March 2022 in connection with (1) the implementation of the Compliance Monitoring Program for the Plant; and (2) establishing maximum allowable limits for certain pollutants in the Plant influent system that would trigger an investigation. He stated that the District's Attorney had provided the attorneys for the Plant participants with copies of the amended Appendix "C" of the Rate Order as prepared by VSE and Coats Rose and the updated Attachment 1 to Appendix "C" as prepared by Tanny Busby of Envirodyne and had requested that the Plant participants amend their respective Rate Orders to incorporate said documents.

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

Secretary, Board of Directors

SEAL

Chelford City Municipal Utility District
Chelford City Regional Wastewater Treatment Facility
Attachments

1. Operations Report;
2. Invoice from Si Environmental, LLC;
3. Bookkeeper's Report;
4. Testing & Analysis Reports;
5. Engineer's Report; and
6. Plant Generator – Maintenance Service Agreement.