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**REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1**  
Minutes of Meeting of Board of Directors  
April 20, 2022

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on April 20, 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. Robin Goin, tax assessor-collector for the District; Mr. John Montgomery and Mr. Gilbert Oliva, District operators; Mr. Mason Mueller of Cobb Fendley & Associates, Inc.; Mr. Erik Scott of Champions Hydro-Lawn; Mr. Joshua Post with SentiForce; Sergeant A. Martinez of the Harris County Precinct 4 Constable’s office; Mr. Brian Eddy, Mr. Brandon Napier, Mr. Pat Napier, Mr. Kevin Napier of P&N Machine Co., Inc; 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 39% of permitted capacity. There have been two recent complaints about odor, and in response the operators made adjustments at the plant.

Mr. Montgomery introduced Joshua Post of SentiForce to the Boards. Mr. Post presented and discussed proposals for provision of managed video surveillance at the District’s administration building and the joint sewage treatment plant. He described the proposals in detail, including the equipment and services to be provided, the monthly charge and a one-time

installation fee. SentiForce is not affiliated with law enforcement but it can provide images and data to law enforcement and work closely with dispatch personnel. Mr. Post provided other detailed information and confirmed that under the proposed agreement, SentiForce would own, operate and maintain all equipment and the video surveillance footage. The Boards further reviewed the proposals and asked questions of Mr. Post. The Board noted that if it moves forward with the proposals, additional amounts must be budgeted to cover the cost. After further discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to accept the proposal and also asked the attorney to work with Mr. Post on a draft contract for formal approval next month. After further discussion of operating matters, upon by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the operator's monthly report.

2. In the absence of a bookkeeper representative, the Board reviewed the joint plant bookkeeper's report, copy attached, noting income and disbursements since the last meeting. The Board also reviewed the budget comparison report for the entire fiscal year ended March 31, 2022. After further review and discussion, upon motion being made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of the checks listed thereon.

3. The Board tabled amendment of the joint plant budget for the fiscal year ending March 31, 2023.

4. Mr. Mueller presented an engineering report, copy attached. The engineers plan to resubmit to Harris County Flood Control District for review the design for the proposed repairs of the wastewater treatment plant storm and sewer outfalls. The engineers provided an updated memo on odor mitigation to the engineers for Reid Road No. 2 for their review and comment, and also provided the updated estimated cost of alternative no. 2 (installation of an aerobic digester cover and a biotrickling filter at an estimated cost of \$1,487,124).

Mr. Mueller reported generally on a feasibility study for annexation of and service to P&N Machine Co, Inc. at 12450 Windfern, located outside of both districts. The feasibility study explored annexation and service by the District. The P&N representatives had reviewed this study and noted the costs were higher than they expected. They requested that Reid Road 2 also study the feasibility of annexing and serving the property with the hope of lower costs. Reid Road 2 engineer Sergio Handal briefly addressed this question, noting it would likely be more

cost effective for Reid Road No. 1 to provide the service, but service by No. 2 could be explored. The Board agreed that the P&N representatives should speak with the engineers for both districts outside of a board meeting to obtain more information on the subject to assist P&N in coming to a conclusion about from which if either district to seek annexation and utility service. Finally, regarding odor mitigation, the Board requested that the engineers and operators for both districts further confer and report back to the Board with recommendations for proceeding and for funding these facilities.

5. 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.

6. The Board reviewed the minutes of its meeting held March 16, 2022, and upon motion by Director Swannie, seconded by Director Brengel, the Board approved the minutes as presented. The Board then opened the floor for public comment, and none was offered.

7. Joshua Post addressed the Board concerning installation of surveillance cameras and managed video surveillance at the District's water plant and lift stations. Mr. Post reviewed a written proposal for the facilities and services, noting the monthly costs and one-time installation charge. He discussed service and performance details and described practices of deterrence, detection and dispatch. Mr. Post mentioned that a power supply would be necessary to operate the units, and Mr. Montgomery stated the operators could do this work. The Board again expressed its interest in obtaining this equipment and service and also expressed interest in adopting a policy for use and access of video surveillance recordings. After discussion, upon motion by Director Christensen, seconded by Director Sumpster, the Board approved the equipment and service proposals and agreed to review and approve a service contract at the next board meeting.

8. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 97.028% collection of 2021 taxes through March 31. The taxable value of property in the District for 2021 is \$345,724,340. After disbursements from the tax account, the account balance would stand at \$94,972.80. After further discussion and unanimous vote, the Board approved the tax assessor-collector's report and the disbursements listed thereon.

9. The Board reviewed the bookkeeper's report, copy attached, including activity and ending balances in all District funds as well as checks presented for payment of current bills. The Board reviewed a budget comparison report for the entire fiscal year ended March 31, 2022. Mr. Montgomery noted that the Badger Meter 5G endpoints have been installed, but the company had not yet billed the District for the work. After further discussion of the bookkeeper's report, upon motion by Director Christensen, seconded by Director Brengel, the Board voted unanimously to approve the report and the investment report and authorized release of checks for payment of current bills. The Board tabled consideration of any budget amendments until the next regular meeting.

10. Mr. Montgomery presented the operator's report, copy attached. Water accountability for the month was at 100%, which the Board noted was very good. Upon the operator's recommendation, one account in the amount of \$132.94 was deemed uncollectible and referred to a collection agency. Mr. Montgomery submitted a list of twenty-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 discussed three proposals for the Phase II sanitary sewer line smoke testing. The low bidder was Kleen Environmental at \$33,822.36. The Board noted this company had performed the Phase I testing in a satisfactory manner, and thereafter, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to accept the proposal of Kleen Environmental for the Phase II work. Finally, Director Sumpter described what he believed to be illegal parking in front of an auto mechanic shop in the District. He would notify the patrolling deputy constable and request assistance. After further discussion of operating matters, the Board unanimously approved the report.

11. Mr. Mueller presented the engineer's report, copy attached. He reviewed the items on his report, noting that the engineers had prepared the Phase II smoke testing exhibit that the operators used to request bids. The repairs identified as being needed after the first phase

of testing have mostly been completed; line deficiencies will not be addressed until completion of the Phase II testing so that they can be done together to achieve economy of scale. Mr. Mueller then updated the Board on the North Harris County Regional Water Authority's design and installation of chloramination equipment at the water plant. Mr. Mueller understands there will be no requirement to replace the motor control center or building.

Mr. Mueller discussed requests for service. He noted that in connection with proposed development of the office/warehouse at 11269 Perry Road within the District, the developers intended to pave over a sanitary sewer easement. Presuming this is a District easement, the Board will consider consenting to encroachment of paving into the easement area. Concerning the proposed development at 11010 Jones Road within the District (Mulligan's), Mr. Mueller reported that the developers had paid the review fee, so review of civil site and public utility extension plans would soon begin.

Mr. Mueller presented additional information first brought up last month about the request from engineers for Cypress Fairbanks ISD concerning the school district's proposed development of a park on 7 acres near the District. Mr. Mueller stated the project is in fact for a non-profit entity known as the CyHope Ball Fields. Larry Dierker is involved with this entity which seeks to buy the property from the school district. Mr. Mueller had not been provided much more information, but the Board remained agreeable to reviewing and considering any specific information provided by the school district or the non-profit entity.

Mr. Mueller reviewed the completed annexation feasibility study for the proposed P&N Machine development project. To provide service, District sanitary sewer and water lines would need to be extended to the tract. There is available capacity in the District's water and sewer plants. As discussed earlier during the joint portion of the meeting, however, the ball is in P&N's court to seek service from Reid Road No. 2 if it objects to the cost projections for provision of District service. After further discussion of engineering matters, the Board unanimously approved the report.

12. The Board tabled further consideration of any consent to encroachment on a District sanitary sewer easement by development on the tract at 11296 Perry Road.

13. Mr. Scott reviewed the monthly parks report and updated the Board on the status of conditions at District parks. There were no new projects for District review or approval. The Board unanimously approved the report and appreciated the details provided by Mr. Scott.

14. The Board considered adoption of a Resolution Establishing Policies and Procedures for Reservation and Use of the District's Administration Building. The resolution currently in place was adopted in November 2000 and would benefit from a review and update. The existing resolution was comprehensive and addressed practically every use situation, but it appeared the fees were in need of adjustment. The Board agreed to study the matter and further address it at an upcoming meeting.

15. The attorney presented a quarterly review of AM Best ratings of the District's insurance carriers, which ratings the Board found to be acceptable.

16. The Board discussed pending matters, with Mr. Montgomery announcing Municipal Operations and Consulting's upcoming 20-year anniversary party. Ms. Parks reported that communications had been received from Gallagher Bassett Services concerning the insurance claim for damages at the District's administration building. The damages do not meet the policy's deductible, so the carrier will not make a settlement claim. Ms. Parks reported that the District had received payment from the North Harris County Regional Water Authority for the Authority's acquisition of water line easements for Parcels 31A-9 and 31C-19.

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



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Secretary