

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

MISSION BEND INTEGRATED WATER SYSTEM

31 May 2022

STATE OF TEXAS §
COUNTIES OF HARRIS AND FORT BEND §

The Board of Directors (the "Board") of Chelford City Municipal Utility District (the "District") met in special session, open to the public at 6:30 p.m. on Monday, 31 May 2022, at the Chelford City Regional Wastewater Treatment Facility (the "Plant") 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 and Investment Officer
Bryant Magee	Asst. Vice President and Asst. Secretary
Warren Hector	Asst. Vice President and Asst. Secretary

and all of said persons were present with the exception of Director Hector, thus constituting a quorum.

Also present were Taylor Reed, P.E., and Norm Scholes, P.E., of Vogler & Spencer Engineering ("VSE"), the District's Engineer; Carlous Smith of Si Environmental, LLC ("SiEnviro"), the District's Operator; Winetta Billings, Eston Hupp, and Connie Fowler of the board of directors of Chelford One Municipal Utility District ("Chelford One"); Deborah Cupples of the board of directors of Mission Bend Municipal Utility District No. 1 ("MBMUD 1"); Leroy Eaglin of the Board of Directors of Mission Bend Municipal Utility District No. 2 ("MBMUD 2"); and Khiem Hoang, E.I.T., of Langford Engineering, Inc., engineer for MBMUD 2.

Attending by teleconference were Diane Bailey and Demitra Berry of McLennan & Associates, L.P. ("McLennan"), the District's Bookkeeper; Ramon Castillo of SiEnviro; Michael Martin of the board of directors of Chelford One; Kay Haynie of the board of directors of MBMUD 1; Mary Bertrand, Susan Johnson, Judy Villagomez, and Marlene Wepler of the board of directors of MBMUD 2; Sandra Staine of Allen Boone Humphries Robinson, LLP; and Dick Yale, Will Yale, and David Green of Coats Rose, P.C., the District's Attorney.

Director Gardner called the meeting to order. He noted that the purpose of the meeting was to review the status of the water wells in and operation of the Mission

Bend Integrated Water System (the "Integrated Water System" or "IWS"); discuss the Operating Budget for the fiscal year ending 30 September 2022; and discuss certain other matters relating to the operation of the Integrated Water System.

Engineer's Report

Mr. Reed presented the Engineer's Report, a copy of which is attached hereto. He reported on the status of the water plants and water wells in the Integrated Water System, as follows:

- MBMUD 1: All water plants are operational. Design of the new auxiliary generator at Water Plant No. 2 is underway.
- MBMUD 2: All water plants are operational. Recoating of Water Plant No. 2 is scheduled for this winter.
- Chelford One: The Water Plant is in service.
- The District: The booster pump replacement and auxiliary generator replacement projects are ongoing.

West Harris County Regional Water Authority (the "Authority"). Mr. Reed reminded those in attendance that the Authority plans to begin supplying surface water to the Mission Bend area by the 4th quarter of 2025. He remarked that all of the member districts of the IWS (the "Member Districts") would need to prepare to simultaneously convert to chloramine disinfection systems at their water plants prior to the delivery of surface water by the Authority. He explained that the water wells in the IWS would remain in service after the Authority begins supplying surface water to the Member Districts.

Water Interconnections for the Integrated Water System (the "Interconnections"). Mr. Reed stated that he had nothing to report at this time regarding the Interconnections. Mr. Smith noted that all of the Interconnections were operational. Director Gardner expressed his view that the valves on the Interconnections should be exercised on a regular basis to ensure that they will be operational when needed.

Proposal for WaterCAD Model. Mr. Reed reported that VSE had received confirmation from all of the Member Districts regarding the proposal from VSE (the "WaterCAD 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 Districts in the Integrated Water System. A copy of the WaterCAD Proposal is included with the Engineer's Report. Mr. Reed noted that the cost for preparing the WaterCAD model would not exceed \$50,000.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the WaterCAD proposal and to authorize VSE to proceed with the design of the WaterCAD model.

True Up Report

Next, Mr. Smith discussed the true up of the gallons of water produced by each of the participants in the Integrated Water System and the gallons billed to each participant's customers (the "True Up Report"). He called the Board's attention to the True Up Report for May 2021 through April 2022 as prepared by SiEnviro, a copy of which is attached hereto as an exhibit to these minutes. A discussion ensued regarding the billed-to-produced ratio for the period of May 2021 through April 2022 (the "Ratio") as presented in the True Up Report. The Board noted that the Ratio for the IWS for the 12-month period was 84.14%. The Board reviewed the percentage of water meters in each of the Member Districts that had registered the usage of more than 1,000,000 gallons of water as listed in the True Up Report. Also reviewed was the schedule for the calibration of the flow meters on the water wells in the IWS and the date of the most recent leak detention survey performed on the water distribution systems in each of the Member Districts.

Review Operating Budget

Ms. Bailey reviewed with the Board the Annual Operating Budget for the Integrated Water System for the period commencing 1 October 2021 through 30 September 2022 (the "Budget"). A copy of the Budget is attached hereto as an exhibit. Ms. Bailey stated that no adjustments to the Budget were necessary at this time. The Board then reviewed the IWS Accounts Receivable Worksheet and the Reserve Analysis Worksheet, copies of which are attached hereto as exhibits.

Schedule Board of Directors Meeting / Integrated Water System

Finally, the Directors considered scheduling a special meeting of the Board to meet with the Integrated Water System participants. After discussion, the Directors agreed to meet at 6:30 p.m. on Monday, 29 August 2022.

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

Secretary, Board of Directors

SEAL

Chelford City Municipal Utility District
Meeting of 31 May 2022
Attachments

1. Engineer's Report;
2. True Up Report;
3. Annual Operating Budget;
4. IWS Accounts Receivable Worksheet; and
5. Reserve Analysis Worksheet.