

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

7 July 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 special session, open to the public, on the 7th day of July 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 Director Magee attending by teleconference, thus constituting a quorum. The Board noted that Director Magee could participate in the discussions but could not vote on matters before the Board at this meeting, pursuant to Section 551.127 of the Texas Government Code.

Also in attendance were Brenda McLaughlin of Bob Leared Interests ("Leared"), the District's Tax Assessor/Collector; Demitra Berry of McLennan & Associates, L.P. ("McLennan"), the District's Bookkeeper; 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; and Dick Yale of Coats Rose, P.C. (called "Coats Rose"), the District's Attorney. Attending by teleconference were Will Yale and David Green of Coats Rose.

Director Gardner called the meeting to order.

Contractor Equipment at District Facilities

Director Gardner observed that certain contractors were storing their equipment from time-to-time at the District's facilities (the "Equipment Storage"). He expressed his view that the District should not allow the storage of equipment not owned by the District at the District's facilities. After discussion, upon a motion duly made and seconded, the Board voted unanimously to prohibit the Equipment Storage by contractors.

Approval of Minutes

Next, the minutes of the Board of Directors meetings of 31 May 2022, 6 June 2022, and 7 June 2022 were considered for review. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of 31 May 2022, 6 June 2022, and 7 June 2022, as written.

Tax Assessor/Collector's Report

Ms. McLaughlin submitted the Tax Assessor/Collector's Report for the Board's consideration. She reported that the District's 2021 levy was 97.4% collected. She then asked the Board's approval of seven checks written on the District's tax account as well as the transfer by wire of \$126.08 in revenues from the tax for maintenance and operations to the District's Operating Fund and the transfer by wire of \$5,000 to the Debt Service Fund.

After review, upon a motion duly made and seconded, the Board voted unanimously to accept the Tax Assessor/Collector's Report and to authorize disbursements as listed therein. A copy of the Tax Assessor/Collector's Report is attached to and shall be considered to be part of these minutes.

Bookkeeper's Report

Next, Ms. Berry reviewed the Bookkeeper's Report with the Board. She reviewed with the Board the status of the payments due to the District by the participants in the Mission Bend Integrated Water System (the "Integrated Water System" or "IWS"). Ms. Berry then called attention to the checks written on the District's Operating Fund and the amounts to be disbursed out of the Integrated Water System account.

Ms. Berry then reviewed the Investment Report, as included in the Bookkeeper's Report. She noted that TexPool paid interest at the average rate of 1.0013% per annum for the reporting period, which was more than the previous month's average rate. She reviewed with the Board the Cash Analysis for the District's Capital Projects Fund which denotes the balance of the proceeds from the sale of the District's Series 2016 Bonds and Series 2020 Bonds. Also reviewed by the Board was the Operating Budget and Budget Comparison for the District for the fiscal year ending 30 September 2022; and the Operating Budget and Budget Comparison for the Integrated Water System, as included in the Bookkeeper's Report.

After review, upon a motion duly made and seconded, the Board voted unanimously to accept the Bookkeeper's Report and authorize payment of the bills of the District and of the Integrated Water System. A copy of the Bookkeeper's Report is attached to and shall be considered to be part of these minutes.

Engineer's Report

Next, Mr. Reed reviewed the Engineer's Report with the Board, a copy of which is attached to and shall be considered to be part of these minutes.

Request for Service / 15401 Bellaire Boulevard / Grace Hall. Mr. Reed reported that construction of the detention pond appears to be complete. He added that a fence has been constructed around the detention pond site.

Request for Service / Family Food Mart at 15655 Bellaire Boulevard. Mr. Reed reported that VSE is continuing to monitor the progress of the construction of the Family Food Mart.

Request for Service / Auto Shop at 15827 Bellaire Boulevard. Mr. Reed reported that the owner of the Auto Shop will work with SiEnviro to obtain service from the District.

Detention Ponds Inspection Report. Mr. Reed reviewed the Inspection Report with the Board. A copy of the Inspection Report is included with the Engineer's Report.

Storm Water Detention Facilities / 16315 Bellaire Boulevard (Calvin Morrow). Mr. Reed stated that he had nothing new to report on this matter.

Water Plant Booster Pump Piping Replacement. Mr. Reed reported on the contract with C3 Constructors, LLC (called "C3") for the Piping Replacement project. He stated that work on the Piping Replacement was in progress. Mr. Reed then reported that C3 had submitted Pay Estimate No. 2 in the amount of \$151,290 in connection with the Piping Replacement project. A copy of Pay Estimate No. 2 is included with the Engineer's Report.

Integrated Water System. Mr. Reed reported on the status of the Integrated Water System, as detailed in the Engineer's Report attached hereto. He stated that VSE had confirmed that the West Harris County Regional Water Authority (the "Authority") plans to begin supplying surface water to the Mission Bend area by the 4th quarter of 2025. He remarked that 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. Mr. Reed then reported that that VSE was proceeding with the design of the combined WaterCAD Model for the Member Districts. A discussion ensued regarding the possible effect on the Integrated Water System of the ongoing severe drought across Texas.

Non-potable Water System for Plant (the "NPW System"). The Directors then discussed the contract with C3 for construction of the NPW System at the Plant. Mr. Reed reported that construction of the NPW System was substantially complete and that all motors were now operational. He added that C3 was working on painting the third motor.

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 had completed the updates to the SCADA system to communicate with the new units. He added that Fitch still needs to install certain items on the clarifiers. Mr. Reed noted that the estimated delivery date for the equipment was now two weeks out.

Waste Activated Sludge Pumps (the "Sludge Pumps"). Mr. Reed reported on the contract with Sustanite Support Services, LLC (called "Sustanite") for the Sludge Pumps project. He stated that Sustanite had commenced work on the Sludge Pumps project. Submittals are being reviewed by VSE, he told the Board, and Sustanite is ordering the equipment.

Proposed Rotary Drum Screen Replacement for Scum System (the "Screen Replacement"). Mr. Reed reported that VSE was working on the design of the Screen Replacement.

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 substantially complete and this item could be removed from the agendas for future meetings of the Board.

West Harris County Municipal Utility District No. 4 ("WHCMUD 4") / Possible Request for Service. The Board discussed the request from WHCMUD 4 to purchase wastewater treatment capacity in the Plant (the "Capacity"). Mr. Reed reported that the report for the cost per gallon for the purchase of the Capacity by WHCMUD 4 had been transmitted to the engineer for WHCMUD 4.

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.

Request for Annexation and Service / 19-Acre Tract on Westpark Drive (the "NRP Tract"). Mr. Reed briefly discussed with the Board matters relating to the request from NRP Group, LLC for annexation of and service to the NRP Tract. He stated that the surveyor is working on the annexation map for the NRP Tract.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; and (2) authorize payment of Pay Estimate No. 2 to C3.

Mission Bend Greenbelt Association

Director Hector presented a brief report on recent activities of the Mission Bend Greenbelt Association (the "Association"). Director Gardner informed the Board that he had resigned his position on the board of directors for the Association (the "MBGA Board").

After discussion, upon a motion duly made and seconded, the Board voted unanimously to appoint Director Hector to serve as one of the District's two representatives on the MBGA Board, completing the term left vacant by the resignation of Director Gardner.

Cleaning of Bellaire Boulevard

The Directors briefly discussed matters regarding the proposed street cleaning on Bellaire Boulevard (the "Street Cleaning"). The Board noted that, to date, a prospective contractor to perform the Street Cleaning had not been found.

Operations Report

Next, Mr. Smith reviewed the Operations Report with the Board. He summarized information about well pumpage in the Integrated Water System and said that 98.5% of the water pumped from the wells in the Integrated Water System was accounted for. He then listed work performed for the District in the wastewater collection system and the water distribution system. Mr. Smith reported that the Plant experienced no violations of the Permit to Dispose of Wastes during the month of May 2022. He added that during May 2022 the Plant operated at 31.7% of its permitted capacity.

Sanitary Sewer Line Cleaning. Mr. Smith reported that three segments of sanitary sewer lines were jet-cleaned during the reporting period, including the sanitary sewer line segment near 7126 La Entrada Drive (the "Segment") that is being jet-cleaned every 90 days. A discussion ensued regarding the schedule for jet-cleaning the Segment. The Board directed the District's Operator to perform a televised inspection of the wastewater collection system in the vicinity of the Segment and to continue jet-cleaning the segment every 90 days for the time being.

List of Proposed Repairs at District Facilities. Mr. Smith then reviewed with the Board a list of cost estimates for certain proposed repairs to the Plant facilities (the "Repair Quotes List"), as follows:

- (1) Clarifier No. 4 scum arm upper bearing repair (the "Bearing Repair"), \$7,575;
- (2) Lift Station A control room roof facia repair (the "Facia Repair"), \$7,575;
- (3) Administration Building soffit repair (the "Soffit Repair"), \$4,300;

- (4) Screw compactor at Headworks A (the "Compactor Repair"), \$65,750 to repair or \$111,700 to replace;
- (5) Headworks B programable logic controller and line reactor (the "PLC Replacement"), \$4,100;
- (6) Sludge horizontal MTO screw conveyors (the "Conveyors"), \$129,500;
- (7) Digester blower No. 3 electric motor, \$7,962 to repair or \$10,812 to replace;
- (8) Rebuild digester blower No. 3 compressor;
- (9) Purchase new Neuros turbo blower as a replacement for digester blower No. 3, (the "Turbo Blower") \$122,300;
- (10) Rebuild lift pump No. 1 in Lift Station A (the "Lift Pump Rebuild"), \$21,081;
- (11) Acquisition of replacement SO2 injector pump (the "Spare Pump Replacement"), cost to be determined;
- (12) Upgrade of 2.5-ton air conditioner in operator room to 4-ton unit (the "AC Upgrade"), \$24,530.77; and
- (13) Acquisition of sunscreen for the air scrubber control panel (the "Sunscreen"), \$4,800.

A copy of the Repair Quotes List is attached hereto as an exhibit.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to proceed with the Bearing Repair, the Facia Repair, the Soffit Repair, the PLC Replacement, the Lift Pump Rebuild, the Spare Pump Replacement, the AC Upgrade, and the acquisition of the Sunscreen.

The Board then directed the District's Engineer to prepare bid packages for the Compactor Repair, the Conveyors, and the Turbo Blower projects.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Operations Report. Copies of the Operations Report and the invoice from SiEnviro are attached hereto as exhibits to these minutes.

Termination of Service

Mr. Smith called the Board's attention to the Delinquent Letter Accounts Listing of customers who were delinquent in the payment of amounts due to the District for water and sewer services, as included in the Operations Report. He assured the Board that all notifications had been provided to the customers, as required pursuant to the District's Consolidated Rate Order. The Directors observed that there were no persons present to

protest their billing from the District. Upon a motion duly made and seconded, the Board voted unanimously to authorize termination of service to the accounts that remain unpaid on the deadline date.

Attorney's Report

Mr. Dick Yale presented the Attorney's Report.

West Harris County Regional Water Authority (the "Authority") / Request for Water Line and Meter Easement. The Board discussed matters relating to the request from the D.E. Corp., the engineer for the Authority, for the District to donate a 30-foot Water Line and Meter Easement (the "Easement") to the Authority in connection with the Authority's surface water line project. Mr. Yale stated that he was recently informed by David A. Bryant of D.E. Corp. that, pursuant to the Authority's Rate Order, the Authority is requesting that water districts with water plants within the Authority's service area donate the easements for the water lines and water meters that will ultimately connect those water plants to the Authority's surface water distribution system. He noted that Mr. Bryant had forwarded to Coats Rose copies of the Authority's standard water meter details for distribution to the District's Engineer. Mr. Yale added that, according to Mr. Bryant, the Authority's engineers will work with the District's Engineer to agree upon a location within the District's water plant site for the water line, water meter, and related appurtenances. Mr. Yale expressed his view that it would not be worth the cost to obtain an appraisal of the Easement tract with the intent of requesting the Authority to pay the District the market cost for the Easement tract and the cost for the appraisal.

Harris County Municipal Utility District No. 120 ("HCMUD 120"). Mr. Yale reported that Christina Miller of Allen Boone Humphries Robinson LLP, attorney for HCMUD 120, had recently requested a teleconference or virtual meeting between the engineers and attorneys of the District and HCMUD 120 to discuss the following matters: (1) the request from WHCRWA 4 to purchase Plant Capacity; (2) the timing and effect of the City's withdrawal from the Plant; and (3) the amendments to HCMUD 120's Rate Order as requested by the District. Mr. Yale stated that he would propose to Ms. Miller that representatives of Mission Bend Municipal Utility District No. 2 ("MBMUD 2") be included in the teleconference or virtual meeting because MBMUD 2 might also be interested in selling excess Capacity to WHCRWA 4.

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 7 July 2022
Attachments

1. Tax Assessor/Collector's Report;
2. Bookkeeper's Report;
3. Engineer's Report;
4. Operations Report;
5. Repair Quotes List; and
6. Invoice from SiEnviro.