

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

1 August 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 1st day of August 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:

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| 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 Magee, thus constituting a quorum.

Also present were Brenda McLaughlin of Bob Leared Interests, the District's Tax Assessor/Collector; Diane Bailey of McLennan & Associates, L.P., the District's Bookkeeper; 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.

Approval of Minutes

First, the minutes of the Board of Directors meetings of 5 July 2022 and 7 July 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 5 July 2022 and 7 July 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 97.5% collected. She then asked the Board's approval of four checks written on the District's tax account. 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. Bailey 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. Bailey 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. Bailey then reviewed the Investment Report, as included in the Bookkeeper's Report. She noted that TexPool paid interest at the average rate of 2.1215% 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 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. Scholes 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. Scholes 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. Scholes 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. Scholes reported that the owner of the Auto Shop will work with SiEnviro to obtain service from the District.

Detention Ponds Inspection Report. Mr. Scholes 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. Scholes stated that he had nothing new to report on this matter.

Water Plant Booster Pump Piping Replacement. Mr. Scholes reported on the contract with C3 Constructors, LLC (called "C3") for the Piping Replacement project. He stated that work on the Piping Replacement was continuing.

Integrated Water System. Mr. Scholes 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 the engineers for the member districts of the Integrated Water System (the "Member Districts") would need to begin the design process in 2023 for the conversion to chloramine disinfection systems at their respective water plants. Mr. Scholes then reported that that VSE was proceeding with the design of the combined WaterCAD Model for the Member Districts.

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. Scholes reported that construction of the NPW System was substantially complete and that all motors were now operational. He added that C3 had completed the painting the motors.

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. Scholes reported that Baird Gilroy & Dixon, LLC had completed the updates to the SCADA system to communicate with the new units. According to Fitch, he told the Board, the equipment for the Wi-Fi System is being shipped this week.

Waste Activated Sludge Pumps (the "Sludge Pumps"). Mr. Scholes 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. Scholes reported that VSE was working on the design of the Screen Replacement.

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. Scholes 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. Mr. Yale stated that the District's Attorney was working to schedule a virtual meeting with the attorneys and engineers for Harris

County Municipal Utility District No. 120 and Mission Bend Municipal Utility District No. 2 to discuss the possible sale of excess Capacity to WHCMUD 4.

City of Houston (the "City") / Withdrawal from Plant. Mr. Scholes 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. Scholes 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 had provided VSE with the annexation map for the NRP Tract. Mr. Yale informed the Board that the District would need to acquire excess Capacity from certain other Plant participants at some future date in order to provide sanitary sewer service to the proposed development in the NRP Tract.

Review of Site Visit Memorandum (the "Memorandum"). Mr. Scholes reviewed with the Board the Memorandum dated 30 July 2022 as prepared by VSE in connection with the monthly meeting at the Plant on 27 July 2022 between the District's Engineer and Operator to discuss the status of certain ongoing projects at the Plant (the "Ongoing Projects") and the identification of possible projects for consideration by the Board. A copy of the Memorandum is attached hereto as an exhibit to these minutes. Mr. Scholes reviewed with the Board the status of the Ongoing Projects as detailed in the Memorandum.

Then Mr. Scholes reviewed with the Board a price quote from Rage Industrial Solutions, LLC ("RIS") in the amount of \$18,250 for the replacement of the siding on the Plant Administration Building with Hardie Plank siding (the "Siding Replacement"). A copy of the RIS proposal is attached hereto as an exhibit to these minutes.

Five-Year Maintenance Plan. Mr. Scholes reviewed with the Board the Five-Year Maintenance Plan for the Plant dated 31 July 2022, a copy of which is attached hereto as an exhibit to these minutes. The Board discussed the maintenance projects that were scheduled for the fiscal year ending 30 September 2023 (the "2023 Projects"). Mr. Scholes pointed out to the Board that the replacement of the pressure tank on the NPW System (the "Pressure Tank Replacement") had been added to the list of the 2023 Projects. The Board directed Mr. Scholes to add an item to the Maintenance Plan regarding the addition of concrete to the area at the Plant site where the roll-off containers are located.

Auxiliary Generator at Water Plant/ Maintenance Service Agreement. Mr. Scholes 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 District's Water Plant (the "Generator"); (2) three follow-up 41-point inspections; and (3) a 4-hour load bank test. He explained that the Generator project was nearing the completion of the one-year warranty period (11 October 2022) on the contract with W.W. Payton Corporation 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.

After review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) accept the RIS proposal and authorize SiEnviro to proceed with the Siding Replacement; (3) authorize the District's Engineer to commence the design for the Pressure Tank Replacement; and (4) approve the Maintenance Service Agreement and authorize Director Gardner to execute same. A copy of the executed Maintenance Service Agreement is attached hereto and shall be considered to be part of these minutes.

Mission Bend Greenbelt Association

The Board briefly discussed matters relating to the Mission Bend Greenbelt Association, including the condition of the Mission Bend Greenbelt Trail.

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.

Reschedule Board of Directors Meeting

The Directors then considered rescheduling the 6 September 2021 Board meeting in view of the Labor Day holiday. After discussion, the Board agreed to meet on Thursday, 8 September 2022.

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 99.9% 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 June 2022. He added that during June 2022 the Plant operated at 31% of its permitted capacity.

Chlorine Regulators. Mr. Smith reported that the Wallace & Tiernan chlorine regulators at the Plant (the "Regulators") were failing and that replacement parts are difficult to procure. He recommended that the Regulators be replaced with Regal Model A-856 units manufactured by Chlorinators Incorporated. Mr. Smith reviewed with the Board the Estimate of Repairs for the replacement of the Regulators, a copy of which is attached hereto as an exhibit.

Upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Operations Report; and (2) authorize the District's Operator to proceed with the replacement of the Regulators as described above. 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. Yale stated that there were no additional items to be discussed under the Attorneys Report.

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 1 August 2022
Attachments

1. Tax Assessor/Collector's Report;
2. Bookkeeper's Report;
3. Engineer's Report;
4. Site Visit Memorandum;
5. Proposal / Hardie Plank Siding;
6. Five-Year Maintenance Plant for RWTF;
7. Maintenance Service Agreement;
8. Operations Report;
9. Estimate of Repairs / Chlorine Regulators; and
10. Invoice from SiEnviro.