

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

July 20, 2022

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on July 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. Jared Martin, District operators; Ms. Amber Hurd of Cobb, Fendley & Associates, Inc.; Mr. Brian Toldan and Mr. Hunter Farrell of McCall Gibson Swedlund Barfoot PLLC.; Mr. Erik Scott of Champions Hydro-Lawn; Sergeant A. Martinez of the Harris County Precinct 4 Constable’s office; Ms. Brittini Silva, District bookkeeper; 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. Mr. Montgomery reported the drum screen arrived last week. It has been installed and has the cover on it. There was a Texas Commission on Environmental Quality (TCEQ) inspection at the plant with no alleged violations, but TCEQ raised an issue concerning low dissolved oxygen, to which the operators will respond. Finally, Mr. Montgomery reported a recent fire at the plant. The transformer bank at the UV system arced and caught the grass on fire. Jared Martin was at the plant when this happened and put out the fire. The fence was damaged by the fire department, and the operators are now installing a gate in the area that was damaged. After further discussion of operating matters, the Board unanimously approved the report.

2. Brittini Silva presented the joint plant bookkeeper’s report, copy attached, and reviewed income and disbursements since the last Board meeting. She reviewed checks presented for payment of current bills as well as a budget comparison report for three months of activity during the fiscal year ending March 31, 2023. After further review and discussion, the Board voted unanimously to approve the bookkeeper’s report and authorized payment of the checks listed thereon.

3. Mr. Toldan approached the Board to review the audit of the joint plant for the year ended March 31, 2022. He introduced his colleague Hunter Farrell to the Boards and proceeded with review of the audit. After discussion, the audit was unanimously approved.

4. Amber Hurd addressed the Board and presented the engineer's report, copy attached. Plans for the proposed repair of the storm and sewer outfalls at the joint plant will be resubmitted for review after agency comments are received. She next discussed a proposal for engineering services for odor mitigation projects approved by the Board on June 29. She reviewed the projects and the estimated construction costs for same as well as a proposed lump sum fee for engineering services. The Board discussed the proposal and noted John Montgomery plans to contact the operator of a sewage treatment plant in Kingwood regarding the mist system. After further discussion, upon motion by Director Christensen, seconded by Director Cieslewitz, the Board voted unanimously to approve the engineering proposal but directed that the engineer not begin design work until Mr. Montgomery reports back on the mist system.

5. Sergeant Martinez reported on law enforcement activities occurring during the month. Thereafter, the Boards 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 regular meeting held June 15, 2022, and upon motion by Director Swannie, seconded by Director Christensen, the Board voted unanimously to approve the minutes as presented. The Board then open the floor for public comment, but none was offered.

7. Ms. Goin presented the tax assessor/collector's report, copy attached, which showed that 2021 taxes were 98.893% collected through June 30. She presented disbursements for payment of current bills, and after further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the report and the disbursements listed thereon.

8. The Board unanimously ratified its approval at the previous meeting of a Depository Pledge Agreement for the District's tax account at Allegiance Bank.

9. The Board considered an amendment requested by Ms. Goin to the tax assessor/collector's contract with the District. The tax assessor/collector was requesting approval of an increase in its monthly charge to the District as well as its hourly rate for consulting services. Upon motion by Director Sumpter, seconded by Director Christensen, the Board voted unanimously to approve the requested contract amendment.

10. Ms. Silva reviewed the bookkeeper's report, copy attached, including activity and ending balances in all District funds. She also reviewed checks presented for payment of current bills and reviewed a budget comparison report for the first three months of the fiscal year ending March 31, 2023. The Board asked for further information on North Harris County Regional Water Authority (NHCRWA) fees collected and assessments paid. Ms. Silva then reviewed the investment report. Thereafter, upon motion by Director Swannie, seconded by Director Sumpter, the Board voted unanimously to approved the bookkeeper's report and authorized release of checks for payment of current bills.

11. The attorney confirmed that her office would accomplish the necessary annual continuing disclosure filing for the District's outstanding bonds. The attorney next presented the quarterly summary of insurance ratings, which the Board reviewed and found to be acceptable.

12. Mr. Montgomery presented the operator's report, copy attached. Water accountability for the month was at 94%. The operator discussed delinquencies and will check on amounts that are 90 and 120 days past due. Mr. Montgomery then submitted a list of 21 delinquent accounts to the Board subject to termination of utility service. These customers had 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 addressed dry weather conditions and stated the operators continued to monitor the District's water production capability. The NHCRWA is still implementing its Stage 1 drought measures and Mr. Montgomery recommended that the District continue to do the same.

Mr. Montgomery notified the Board that Municipal Operations & Consulting is changing its billing software from AVR to Starnik. The Starnik software should provide a better experience for the operator and for the District's customers, but it will require customers who pay electronically to update their ACH and bill pay payment methods. The operators will notify District customers in advance of conversion to the new program and requested and received Board authorization to work with District customers who may have difficulty updating their payment methods. After further discussion of the operator's report, upon unanimous vote, the Board approved the report.

13. The Board considered a contract with SentiForce for installation of cameras at District facilities and provision of monitored video surveillance services. Ms. Parks has provided comments on the proposed terms and conditions to SentiForce's Joshua Post and will notify the Board when the contract is ready for consideration.

14. Brian Toldan reentered the meeting and reviewed the District's audit for the fiscal year ended March 31, 2022. In the report the accountants provided an unmodified opinion, and Mr. Toldan noted the District had an approximately two-year operating reserve on hand at year end. Mr. Toldan further reviewed the audit with Board and thereafter, the Board unanimously approved it subject to further review and comment and authorized its timely filing with all appropriate entities. The attorney reviewed the District's existing investment policy with the Board, and after a brief discussion, the Board unanimously approved the attached Resolution affirming its review of the investment policy and a list of brokers/dealers.

15. Ms. Hurd presented the engineer's report, copy attached. The engineers are updating the list of capital improvement projects and plan to review it with the Board in August. Ms. Hurd reviewed a construction cost estimate and proposed engineering fees for

replacement of the motor control center and its building at Water Plant No. 1. The Board discussed this project in detail, including NHCRWA instruments to be placed on the outside the existing building. Ms. Hurd stated the engineers were preparing proposals for construction and engineering costs for water well No. 4 as well as modifications to the ground storage tank at Water Plant No. 2. She noted it may be necessary to locate the new water well at Water Plant No. 1 or at an off-site location. There also was discussion about into which aquifer the well should drilled. The engineers will confer with John Nelson and get back to the Board with a recommendation. Ms. Hurd addressed sanitary sewer smoke testing and reported that after review of the Phase 2 testing data, the engineers noted only one main line deficiency, which can be investigated further in a future sanitary sewer cleaning and televising project. In the meantime, the engineers recommend the operators address the lateral connection deficiencies.

Ms. Hurd reported on projects and design. The engineers have resubmitted plans for chloramination facilities at the District's water plants to Aurora Technical Service, LLC, the Authority's design engineer. Ms. Hurd briefly addressed Geographic Information Systems (GIS) mapping, noting that the District's sewer lines are in the GIS model. Mr. Mueller will address the Board regarding addition of water lines and as appropriate present a proposal for such work. The Board further discussed the proposal for design of the motor control center replacement, and upon motion by Director Christensen, seconded by Director Sumpster, the Board voted unanimously to authorize the engineer to move forward with design and thereafter approved the monthly engineering report.

16. Mr. Scott reviewed the monthly parks report. He noted irrigation had been cut back slightly in connection with imposition of Stage 1 drought measures. Director Christensen reported a hole in the sidewalk near the small pond. Mr. Montgomery reported the operators had checked on this and confirmed there was not a broken water line. The Board authorized filling the hole. The Board next discussed whether there was a need to dredge the pond. Mr. Scott reported the water level is satisfactory and is below the inlet. As the pond is owned by the District, dredging costs would be borne by the District. After further discussion, the Board agreed dredging was not necessary at this time and it requested Mr. Scott continue to monitor the situation.

17. The Board considered terms for a new patrol contract with Harris County Precinct 4 Constable to commence October 1, 2022. Constable Herman's office had requested that the District verify information for the new agreement, and the Board agreed no changes were desired. Ms. Parks will present the proposed contract to the Board for review upon receipt from the Constable's office.

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



Secretary

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **11245 Harvest Bend Blvd., Houston, Texas**. The meeting will be held at **6:30 p.m. on Wednesday, July 20, 2022**.

The subject of the meeting is to consider and act on the following:

1. Consideration of wastewater treatment matters, including:
 - a. Operations and maintenance report; authorize repairs and maintenance; discuss Texas Commission on Environmental Quality compliance inspection at plant
 - b. Bookkeeper's report and payment of bills
 - c. Audit Report for Sewage Treatment Plant Fiscal Year Ended March 31, 2022
 - d. Engineer's report; preparation of plans, advertising for bids, award of contracts
 - e. Constable's patrol report
 - f. Presentation of public comments
2. Approve minutes of meetings held June 15 and 29, 2022
3. Public Comment
4. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; authorize litigation as necessary for collection of delinquent taxes; consider any taxpayer appeals; approve installment payment agreements, as necessary
5. Ratify approval of Depository Pledge Agreement with Allegiance Bank for District tax account
6. Amendment to Tax Assessor-Collector agreement
7. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
8. Audit Report for Fiscal Year Ended March 31, 2022; Resolution Affirming Review of Investment Policy, Strategies and Objectives
9. Authorize Continuing Disclosure filing (due 9/30/2022)
10. Review of investments for compliance with Senate Bill 253 (Texas Government Code, Chapter 2270)
11. Quarterly Review of Insurance Ratings
12. Operator's report; review active connections and water accountability; status of operation, maintenance, and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts
13. Status of drought measures under District's Drought Contingency Plan and related communications from the North Harris County Regional Water Authority; authorize actions as appropriate
14. Contract for installation of cameras at District facilities and provision of monitored video surveillance services; Policy for use of video surveillance recordings

15. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve pay requests and change orders; capital improvements plans; update on GIS mapping
16. Request(s) for service, utility commitment, or annexation of land
17. Report regarding District parks; authorize actions as necessary, including notice to landowner prohibiting trespass
18. Pending business, including North Harris County Regional Water Authority's chloramination conversion at District water plant and surface water transmission line Project 31A
19. Discussion of Patrol contract with Harris County Precinct 4 Constable commencing October 1, 2022
20. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.



Melissa J. Parks

Melissa J. Parks
Attorney for the District