

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

October 19, 2022

The Board of Directors ("Board") of Reid Road Municipal Utility District No. 1 ("District") met on October 19, 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
Karen Brengel, Treasurer
Ed Swannie, Director

and the following absent:

Robert Sumpter, Secretary.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Ms. Brittni Silva of Myrtle Cruz Inc; Mr. Lonnie Wright, District operator; Mr. Mason Mueller of Cobb, Fendley & Associates, Inc.; Mr. Erik Scott of Champions Hydro-Lawn; Sergeant A. Martinez of the Harris County Precinct 4 Constable's office; 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. In the absence of Secretary Sumpter, Director Christensen was designated Secretary Pro Tempore.

1. Mr. Wright presented the joint sewage treatment plant operations report. There were no permit violations during the month, and plant operated at 40% of permitted capacity. Rainfall of 1.75 inches was recorded at the plant during September, and the graph of daily flow at the plant shows that even with recent rains, it appears there are no inflow and infiltration problems with the collection systems of the districts. Mr. Wright reviewed the remainder of the report and thereafter, upon motion by Director Swannie, seconded by Director Christensen, the Board voted unanimously to approve the operator's report.

2. Brittni Silva presented the joint plant bookkeeper's report, copy attached, and reviewed income and disbursements since the last Board meeting. She also reviewed a budget comparison report reflecting activity during the first half of the fiscal year ending March 31, 2023. The Board carefully reviewed the annual budget as amended at last month's meeting, noting that for the odor mitigation facilities, the engineering expenditure is \$58,000 and the construction expenditure is \$505,000. After further discussion of the bookkeeper's report, upon motion duly made, seconded, and unanimously carried, the Board approved the report as presented and authorized payment of the checks listed thereon.

3. Mason Mueller presented the attached engineer's report on the joint plant. The engineers are working with Harris County Flood Control reviewers to document all

permitted buildings at the plant in connection with the proposed repair of the storm and sewer outfalls. Regarding the odor mitigation project, Mr. Mueller reported the engineers had met on the site with another mist system vendor and expect to receive a proposal soon. Before the next meeting Mr. Mueller will work with the operators and engineers of both districts and consult with the Board presidents on this project so that a decision can be made and project design can be completed. After further discussion, the Board voted unanimously to accept the engineer's report.

4. Sergeant Martinez reported on law enforcement activities occurring during the month. Thereafter, the Boards opened the floor for public comment. No public comment was offered, and the Board and consultants of Reid Road MUD No. 2 then exited the meeting.

5. The Board reviewed the minutes of its meeting held September 21, 2022. Upon motion duly made, seconded, and unanimously carried, the Board approved the minutes as presented. The Board then opened the floor for public comment, but no public comment was offered.

6. Ms. Goin presented the tax assessor/collector's report, copy attached, which showed that 2021 taxes were 99.091% collected through September 30. Ms. Goin presented a delinquent tax collections report prepared by Perdue Brandon Fielder Collins & Mott, LLP. These attorneys requested Board authorization for termination of water service to the taxpayers listed on the report who had been contacted but had failed to pay or to otherwise respond. Upon unanimous vote, the Board authorized termination of service as recommended by the delinquent tax collection attorneys. Ms. Goin completed review of her report, presenting disbursements for payment of current bills. Thereafter, upon motion by Director Christensen, seconded by Director Brengel, the Board voted unanimously to approve the report and authorized the disbursements listed thereon.

7. The Board acknowledged publication of a Notice of Public Hearing to consider a 2022 tax rate of \$0.4372 per \$100 assessed valuation. The Board opened a hearing for public comment or questions on the proposed rate and, receiving none, closed the hearing. The Board then considered the attached Order adopting the District's 2022 tax rate, consisting of a debt service tax of \$0.1885 and a maintenance tax of \$0.2487 per \$100 assessed valuation. Upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to approve and adopt the Order. The Board further authorized an update to the required internet posting to reflect the 2022 tax rate in compliance with the Texas Tax and Government codes, and authorized execution of an Amendment to Statement of Directors for filing in the Harris County real property records.

8. Ms. Silva reviewed the bookkeeper's report, copy attached, describing activity and ending balances in all District funds. She reviewed checks for payment of current bills and a budget comparison report showing activity during the first half of the fiscal year ending March 31, 2023. Ms. Silva provided information to the Board following up its questions at the previous meeting about certain budget line items. With regard to expenses for garbage collection, both the bookkeeper and the operator had confirmed that the District is charging its customers the correct rate. Ms. Silva then reviewed proposed amendments to certain expenditure items on the operating budget. Several of these amendments had been discussed at the previous meeting, but additional amendments were now considered and approved. The Board then

reviewed the investment report, noting the continued rise in interest rates, especially on funds invested in investment pools. After further discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to adopt the attached Resolution Adopting Amended Operating Budget for the Fiscal Year Ending March 31, 2023, and furthermore approved the bookkeeper's report as presented and authorized release of the checks list of thereon.

9. Mr. Wright presented the operator's report, copy attached, which reflected 96% water accountability and 17,148,000 gallons pumped during the month. Mr. Wright discussed account delinquencies and submitted a list of 62 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. Wright described to the Board the Texas Utility Help Program administered by the Texas Department of Housing and Community Affairs. Under this statewide program funded by federal grants, eligible renters and homeowners can apply for direct payments of their water and sewer bills. To receive payments via this program, a district must enter into an agreement with the Department. Mr. Wright and Ms. Parks discussed various aspects of the program. The District does not have a problem with delinquencies, and it appeared to the Board that few if any District customers would likely qualify, and that the anticipated costs to the District of participating in the program may very well outweigh any benefits. The Board declined participation in the program. Finally, the Board discussed work several directors had observed in the area of the recent water main break at Fallbrook and Broken Sky Drive. It was noted that as the District's work in this area was complete, the operator and engineer will check on what type of work is being done and by whom. After further discussion of operating matters, upon unanimous vote, the Board approved the report as presented.

10. Mr. Mueller presented the engineer's report, copy attached. The engineers continue work on design of replacement of the motor control center and its building at Water Plant No. 1. Mr. Mueller indicated he intends for District work on the motor control building to begin before the North Harris County Regional Water Authority (NHCRWA) begins construction of its Project 31A water transmission line and installation of chloramination facilities at the District's water plant. Mr. Mueller then discussed construction of a new water well at Water Plant No. 1 as well as improvements at Water Plant No. 2 to modify the interior vented pipe and forced ventilation at the ground storage tank. As requested last month, Mr. Mueller had since confirmed that the well had been capped at Water Plant No. 1 due to physical problems with the well. This does not preclude drilling a new well in close proximity. He presented a proposal for a 500 gallons per minute water well No. 4 with an estimated project cost of \$2,902,940. After discussion, upon motion by Director Christensen, seconded by Director Swannie, the Board unanimously accepted this proposal. Returning to discussion of modifications at the ground storage tank at Water Plant No. 2, Mr. Mueller requested authorization to advertise for bids for this work, and upon unanimous vote, the Board granted the requested authorization.

Mr. Mueller reported that the engineers had submitted plans to Harris County detailing the emergency pavement repair resulting from repair of lines at the intersection of Fallbrook and Broken Sky Drive. The engineers are working with the District's operator to obtain a bond to add to this submittal. Mr. Mueller then reported that the developers of proposed improvements at 11010 Jones Road/the Mulligan's tract have put this project on hold for now. Ms. Parks reported these developers have indicated they will likely attend the Board's January meeting. Finally, the owner desiring District annexation of an approximately 1.98-acre tract and existing buildings on Jones Road has deposited funds with the District to pay costs of annexation. The District's engineer and attorney will soon begin work on the annexation. After discussion, the Board agreed the District would fund the engineer's preparation of a map and description of the District's current boundaries and it authorized the engineer to proceed with this work. The owner of the property being annexed will be responsible for paying the cost of modifying such map and description for inclusion of its property within the District. After further discussion, upon unanimous vote, the Board approved the engineer's report as presented.

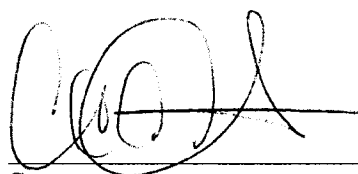
11. Mr. Scott reviewed the monthly parks report, copy attached. The District's parks look to be in good shape. The report contained a photograph of the area of the District's recent sidewalk repair, and it was noted that after the repair, additional work had been done by an unknown party, evidenced by a difference in the appearance of a section of the concrete. The Board found this odd and asked Mr. Scott to find out what he can. Mr. Scott next discussed various materials that can be used as ground cover around the District's playground equipment in Penny Park. Mr. Scott described the estimated costs of artificial turf, kiddie mulch, and rubber tire mulch, and he also mentioned a need to install a drain system if artificial turf is installed. The Board also discussed using pea gravel or sand. Mr. Scott suggested continuing to use the kiddie mulch and replacing it as needed, approximately every eight months. After further discussion, the Board agreed it desired Director Sumpter's input and did not intend to make a decision on the matter without it.

12. The Board considered pending business, including repair of the air conditioning unit in the District's administration building. As requested by the Board, John Montgomery had sought a two-year parts and labor warranty but found no contractor willing to provide it. Director Cieslewitz reported that Mr. Montgomery had contacted him about this, and he had authorized Mr. Montgomery to move forward with the low bidder. Mr. Wright confirmed this work has since been completed.

13. The Board briefly discussed matters related to the NHCRWA concerning drought measures. Mr. Wright confirmed that the Authority's drought measures were still in place, and the Board agreed to continue following suit.

14. The Board confirmed that its meeting in December and the Christmas party afterwards would be held on the regular monthly meeting date.

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



Secretary

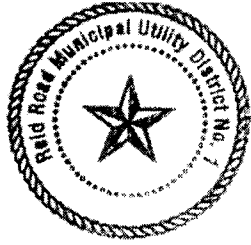
REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
NOTICE OF PUBLIC MEETING

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, October 19, 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
 - b. Bookkeeper's report and payment of bills
 - c. Engineer's report; preparation of plans, advertising for bids, award of contracts
 - d. Constable's patrol report
 - e. Presentation of public comments
2. Approve minutes of meeting held September 21, 2022
3. Public Comment
4. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; authorize litigation or termination of service as necessary for collection of delinquent taxes; consider any taxpayer appeals; approve installment payment agreements, as necessary
5. Public Hearing on Proposed 2022 Tax Rate
6. Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2022
7. Amendment to Statement of Directors; Update of internet posting
8. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
9. Amendment of general operating budget
10. 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 to delinquent accounts; authorize actions as necessary concerning drought measures
11. 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
12. Request(s) for service, utility commitment, or annexation of land
13. Report regarding District parks; authorize actions as necessary
14. Pending business, including
 - a. status of work on Administration Building air conditioning facilities
 - b. matters related to North Harris County Regional Water Authority

15. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.



Melissa J. Parks

Melissa J. Parks
Attorney for the District