

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

3 October 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 3rd day of October 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 Directors Gardner and Brumfield, 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; 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; David Beyer of Storm Water Solutions, LLC; David Quin representing the Public Power Pool; and Dick Yale of Coats Rose, P.C. (called "Coats Rose"), the District's Attorney. Attending by teleconference were Shawna Esquivel of SiEnviro; and Will Yale and David Green of Coats Rose.

Director Warren called the meeting to order.

Approval of Minutes

First, the minutes of the Board of Directors meetings of 29 August 2022, 6 September 2022, and 8 September 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 29 August 2022, 6 September 2022, and 8 September 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 98% collected. She then asked the Board's approval of 10 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.

Hearing on Proposed Tax Rate

The Board then convened a public hearing to discuss the proposed tax rate for the 2022 tax year (the "Tax Rate"). The Directors noted that there were no taxpayers of the District in attendance who desired to address the Board regarding the Tax Rate.

Adopt Order Levying Taxes

Next, the Directors reviewed an ORDER LEVYING TAXES as prepared by Coats Rose, P.C., the District's Attorney. Then, upon a motion duly made and seconded, the Board voted unanimously to adopt a debt service tax rate of \$0.133 per \$100 of assessed valuation. The Board then, upon a motion duly made and seconded, voted unanimously to adopt a maintenance tax rate of \$0.18 per \$100 of assessed valuation and to adopt the ORDER LEVYING TAXES for a total tax rate for our tax year 2022 of \$0.313 per \$100 of assessed valuation, a copy of which is attached hereto and shall be considered a part of these minutes.

Amendment to Information Form

The Board then considered Amendment Number 52 to the District's Information Form (the "Amendment") that states the District's most recent tax rate and will be filed with the Texas Commission on Environmental Quality (the "Commission") and in the Official Public Records of Real Property of Harris County and of Fort Bend County, Texas. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Amendment and to authorize filing of same. A copy of the Amendment as approved is attached hereto and shall be considered 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 1.1627% per annum for the reporting period, which was the same as 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.

Then Ms. Bailey reviewed with the Board the tables denoting the balance of the deposits paid by West Harris County Municipal Utility District No. 4 and the NRP Group, LLC for legal and engineering fees incurred by the District in connection with their respective requests for utility service from the District. Copies of the tables are attached hereto as exhibits to these minutes.

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

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 was progressing at the work 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.

Request for Annexation and Service / 19-Acre Tract on Westpark Drive (the "NRP Tract"). Mr. Reed discussed with the Board matters relating to the request from NRP Group, LLC ("NRP") 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. He remarked that VSE had reviewed the plans for the proposed development in the NRP Tract and offered no objections. Mr. Reed remarked that, as previously stated by VSE and the District's Attorney, the District would need to acquire excess wastewater treatment capacity from certain other Plant participants in order to provide sanitary sewer service to the proposed development in the NRP Tract.

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

Storm Water Detention Facilities / 16315 Bellaire Boulevard (Calvin Morrow). Mr. Reed noted that the site has been enclosed by a construction fence and the graffiti has been removed. He added that the garage door is now closed and the concrete pond is continuing to hold water.

Water Plant Booster Pump Piping Replacement. Mr. Reed reported on the contract with C3 Constructors, LLC (called "C3") for the Piping Replacement project. He noted that the Water Plant had been returned to service. Mr. Reed then reported that C3 had submitted Pay Estimate No. 3 and FINAL in the amount of \$367,110 in connection with the Piping Replacement Project. A copy of Pay Estimate No. 3 and FINAL 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. Mr. Reed then reported that that VSE was proceeding with the design of the combined WaterCAD Model for the member districts in the Integrated Water System.

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 Fitch had completed the installation of the equipment for the upgrades to the Wi-Fi system and that Baird Gilroy & Dixon, LLC was working to program the new units to communicate with the Plant SCADA.

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 the work on the Sludge Pumps was in progress. Mr. Reed then reported that Sustanite had submitted Pay Estimate No. 2 in the amount of \$44,820 in connection with the Sludge Pumps project. A copy of Pay Estimate No. 2 is included with the Engineer's Report.

Rotary Drum Screen Replacement for Scum System (the "Screen Replacement"). Mr. Reed reported on the contract with low bidder Gilleland Smith Construction, Inc. ("Gilleland") for the Screen Replacement. He stated that the execution drafts of the construction contracts with Gilleland for the Screen Replacement would be presented for signature at the Board's meeting on 10 October 2022.

Replacement of Pressure Tank on NPW System (the "Pressure Tank Replacement"). Mr. Scholes reported that VSE was ready to advertise for bids on the Pressure Tank Replacement.

West Harris County Municipal Utility District No. 4 ("WHCMUD 4") / 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 VSE had recently conferred with the consultants of Harris County Municipal Utility District No. 120 and Mission Bend Municipal Utility District No. 2 regarding the possible sale of excess Capacity to 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.

Sludge Horizontal Screw Conveyors (the "Sludge Conveyors"). Mr. Reed reported on the contract with C3 for the Sludge Conveyors. He stated that VSE was working to schedule the pre-construction meeting with C3.

Replacement of Headworks "A" Washer Compactor (the "Compactor Replacement"). Mr. Reed reported on the contract with Gilleland for the Compactor Replacement. He stated that the execution drafts of the construction contracts with Gilleland for the Compactor Replacement would be presented for signature at the Board's meeting on 10 October 2022.

Replacement of Digester Blower No. 1 (the "Blower Replacement"). Mr. Reed reported on the contract with C3 for the Blower Replacement. The stated that the execution drafts of the construction contracts with C3 for the Blower Replacement would be presented for signature at the Board's meeting on 10 October 2022.

Upgrade of 2.5-ton Air Conditioner in Operator Room to 4-ton Unit. Mr. Reed reported that a temporary air conditioning unit was in place in the operator room and that the new 4-ton unit was on order by GH Mechanical & Services, LLC.

Bollards at Plant Administration Building. Mr. Reed reported that Rage Industrial Solutions, LLC had completed the installation of two bollards to protect the condenser unit for the air conditioning system at the Administration Building.

Proposed Replacement of Thickener Pump. Mr. Reed reported that VSE was proceeding with the design for the replacement of the air lift pump with a pump that does not use air.

Electrical Conversion (4160V to 480V) and Positive Displacement Blower Upgrade (the "Conversion"). Mr. Reed reported that design work was underway for the Conversion project.

After review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) authorize payment of Pay Estimate No. 3 to C3; (3) authorize payment of Pay Estimate No. 2 to Sustanite; and (4) authorize the District's Engineer to advertise for bids on the Pressure Tank Replacement.

Stormwater Management Program

Next, Mr. Beyer reported that the Commission had completed its technical review of the District's Stormwater Management Plan (the "SWMP") and had made a preliminary decision to approve the SWMP. This preliminary decision was published in the Houston Chronicle, he continued, and copies of the SWMP and Notice of Intent were placed in the Mission Bend Branch Library for public viewing and comment. He stated that no comments were received during the 30-day comment period.

He then distributed and reviewed a summary of the Year 4 Training and Education Goals for year 2022 under the SWMP. A copy of the summary of Year 4 Training and Education Goals is attached hereto. Mr. Beyer began his training session with the Board and the District's consultants. The topic of the Year 4 training was stormwater pollution prevention, the minimum control measures, and bacteria specific elements. Mr. Beyer explained the importance of keeping household hazardous waste, pet waste, and yard waste from entering the District's storm sewers to prevent adding to the bacterial impairment. He then continued with the training, including discussion of the sources of bacteria and outlining the elements of the SWMP program that affect these sources.

Mission Bend Greenbelt Association

Directors Ochoa and Hector presented a brief report on the recent activities of the Mission Bend Greenbelt Association.

Power Supply Issues / Public Power Pool

The Directors discussed matters pertaining to the aggregate purchase of electricity under the auspices of the Public Power Pool ("P3"), including P3's upcoming procurement of electric power supply for the period beginning 1 January 2023 (the "Procurement"). Mr. Quinn distributed to the Board a copy of the Revised Procurement Proposal for Electric Power Supply Beginning 1 January 2023 as prepared by P3 (the "Procurement Proposal"), a copy of which is attached hereto as an exhibit to these minutes. Mr. Quin reviewed the Procurement Proposal in detail and responded to questions from the Board regarding the Procurement.

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 99.5% 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 August 2022. He added that during August 2022 the Plant operated at 33.4% of its permitted capacity.

Belt Press Facility at Plant / Preventive Maintenance. Mr. Smith reviewed with the Board the proposal from Alfa Laval Inc. ("Alfa Laval") to perform preventative maintenance on the two KPMKII 2.0-meter belt filter presses at the Plant (the "Presses"). Under the proposal, he told the Board, Alfa Laval would perform semiannual preventive maintenance inspections of the Presses (the "Inspections") and would replace all fluids, filters, and grease for the Presses as needed. The Inspections will include the preparation of a maintenance report that includes a priced proposal for recommended parts or services as needed for the Presses, he told the Board. Mr. Smith noted that the Alfa Laval would charge the District \$2,750 per site visit for the preventive maintenance service.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the proposal from Alfa Laval. A copy of the proposal as accepted by the Board is attached hereto and shall be considered to be part of these minutes.

Clarifier No. 3 / Wheel Assembly Repairs. Mr. Smith submitted to the Board an Estimate of Repairs prepared by SiEnviro for the replacement of the shaft on Plant clarifier No. 3, including the replacement of the wheel and bearings (collectively, the "Wheel Assembly Repairs"). A copy of the Estimate of Repairs is attached hereto as an exhibit. The Board noted that the cost for the Wheel Assembly Repairs was \$6,028, plus an estimated labor cost of \$1,100.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to proceed with the Wheel Assembly Repairs.

Connection Account History for the Plant (the "History"). The Board discussed matters relating to the History. Mr. Smith reviewed the History dated 3 October 2022 as prepared by SiEnviro and noted that for September 2021 and October 2021 there was a total connection decrease of 666. He explained that five of the eight member districts in the Plant experienced a decrease in commercial equivalent single-family connections ("ESFCs") for the period of September and October 2021. The decrease in usage by the commercial customers, he told the Board, was due to the slowdown in commercial activity that resulted from the COVID-19 pandemic. Mr. Reed then explained to the Board how the ESFCs for commercial customers are calculated. For the commercial customers, he told the Board, one ESFC equals 10,000 gallons of wastewater. The calculations are rounded up to the next number, he told the Board, but a commercial customer whose usage was less than 10,000 gallons would not register as a connection. The Plant billing takes the previous year's usage from May through October to calculate the ESFCs, said Mr. Taylor. This is completed annually, he continued, and the District's Bookkeeper uses this number to bill for the Plant. Copies of the History and Billing Worksheets for September and October 2021 are attached hereto as exhibits.

Upon a motion duly made and seconded, the Board voted unanimously to accept the Operations Report, a copy of which is attached to and shall be considered to be part

of these minutes. Also attached hereto is a copy of the invoice from SiEnviro with photographs of the work performed in the District.

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.

Advanced Review of Compliance History. Mr. Yale reviewed with the Board the TCEQ Advanced Review of Compliance History ("ARCH"), a copy of which is attached hereto as an exhibit to these minutes. He explained that the Commission rates the compliance history of all organizations under Title 30, Texas Administrative Code, Chapter 60, evaluates the compliance history of each site, and classifies each site as "High," "Satisfactory," "Unsatisfactory," or "Unclassified." Mr. Yale stated that the District's Attorney had registered as an ARCH user for the District and had forwarded copies of the ARCH reports for the District to the District's Engineer and Operator. He noted that the District and the Plant had each received a Compliance History Classification of "Satisfactory."

Review of Bonds and Insurance on Construction Contracts. Mr. Yale reviewed with the Board the memoranda from the District's Attorney regarding (1) the bonds and insurance submitted by Gilleland in connection with the Screen Replacement project; (2) the bonds and insurance submitted by Gilleland in connection with the Compactor Replacement project; and (3) the bonds and insurance submitted by C3 in connection with the Sludge Conveyors project. Copies of the memoranda are attached hereto as exhibits to these minutes. Mr. Yale remarked that the bonds and insurance submitted by the contractors for the above-referenced projects were found to be in order.

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 3 October 2022
Attachments

1. Tax Assessor/Collector's Report;
2. Order Levying Taxes;
3. Amendment to District's Information Form;
4. Bookkeeper's Report;
5. Table / Developer Deposit for WHCRWA 4;
6. Table / Developer Deposit for the NRP Group, LLC;
7. Engineer's Report;
8. Summary of Year 4 Training and Education Goals;
9. Revised Procurement Proposal for P3;
10. Operations Report;
11. Proposal for Preventive Maintenance Service;
12. Estimate of Repairs for Clarifier Wheel Assembly;
13. Connection Account History for the Plant, including Plant Billing Worksheets;
14. Invoice from SiEnviro;
15. TCEQ Advanced Review of Compliance History report;
16. Memorandum / bonds and insurance on contract with Gilleland Smith Construction, Inc., for RWTF Rotary Drum Screen Replacement;
17. Memorandum / bonds and insurance on contract with Gilleland Smith Construction, Inc., for RWTF Washer Compactor "A" Replacement; and
18. Memorandum / bonds and insurance on contract with C3 Constructors, LLC, for RWTF Sludge Horizontal Screw Conveyors.