

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

November 16, 2022

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on November 16, 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
Robert Sumpter, Secretary

and the following absent:

Ed Swannie, Director.

Also present were Ms. Odett Newman, tax assessor-collector for the District; Ms. Brittni Silva of Myrtle Cruz Inc; Mr. John Montgomery, 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; Ms. Christie Leighton of Best Trash, LLC; Dr. Jean-Pierre Truong; 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. There were no permit violations during the month, and plant operated at 39% of permitted capacity. Mr. Montgomery reported the operators had received an odor complaint from a household near the plant. The operators checked readings at the plant upon receipt of the complaint. Mr. Montgomery reviewed the remainder of the report and thereafter, upon motion duly made, seconded, and unanimously carried, the Board approved the operator’s report.

2. The Board discussed contracts for sludge hauling and facility surveillance. Ms. Parks and Mr. Roach have both reviewed the contract with K-3 Resources LP for sludge disposal and made comments and revisions. The agreement had been approved in September subject to such revisions and, after discussion, upon unanimous vote, the Board authorized forwarding the finalized contract to K-3 for execution. Regarding the contract with Network Outfitters Inc. DBA SentiForce, Ms. Parks noted the Board had previously approved and executed this contract subject to review and comment by Mr. Roach. She and Mr. Roach had since reviewed same and although slight revisions would be preferred, they were satisfied overall with the agreement as executed.

3. Brittni Silva presented the joint plant bookkeeper’s report, copy attached, and reviewed income and disbursements since the last Board meeting. She presented checks for payment of current bills and reviewed a budget comparison report reflecting activity during the

first seven months of the fiscal year ending March 31, 2023. After further discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the bookkeeper's report as presented and authorized payment of the checks listed thereon.

4. Mason Mueller presented the attached joint plant engineer's report. The engineers continue to work 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. Mr. Mueller addressed the odor mitigation project and recommended the Board authorize moving forward now with installation of the mist system by State Chemical based on its proposal. There are no installation costs, only a monthly cost of \$2,000 for chemicals. This system can be installed in advance of the remaining odor mitigation components. After discussion, the Board voted unanimously to proceed as recommended by Mr. Mueller and thereafter voted unanimously to accept the engineer's report.

5. 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.

6. The Board opened the floor for public comment. Dr. Jean-Pierre Truong, a dentist in the District, spoke concerning District surcharges levied against him due to mercury in the discharge from his office. Dr. Truong reported he is compliant with requirements of the American Dental Association concerning mercury discharge but he is billed surcharges by the District. The Board and Mr. Montgomery stated the District operates pursuant to its Industrial Waste Order for among other purposes to meet the requirements of the District's waste discharge permit. Dr. Truong discussed with the Board the actions he currently takes to remove mercury from the discharge and requested the Board consider and approve a new plan involving installation of a tank to collect the discharge from his office before it enters the District's collection system. He would have the discharged material removed regularly and believes this would reduce if not eliminate the presence of mercury. However, Dr. Truong also stated his belief that the discharge pipes are contaminated with residual mercury which may contribute to the remaining presence of trace amounts of mercury. Methods for addressing this were discussed, including slip-lining this pipe. The Board discussed the dentist's ideas for pre-treatment and slip-lining and in consultation with the District's operator noted they appeared reasonable. In order to be able to make a formal determination, however, the District would need to receive and review a written proposal including among other things drawings and the dentist's contract with a hauler. The District would also require a dye test of the dentist's drain pipes to make sure this system is separate from the District's sanitary sewer collection system, and there will need to be coordination with the owner of the building in which the dentist's office is located. The Board agreed to consider such materials if submitted by Dr. Truong.

7. The Board reviewed the minutes of its meeting held October 19, 2022. Upon motion by Director Christensen, seconded by Director Bregel, the Board voted unanimously to approve the minutes as presented.

8. Ms. Newman presented the tax assessor/collector's report, copy attached, which showed that through October 31, the 2021 taxes are 99.093% collected and 2022 taxes are 0.115% collected. The report reflected the certified taxable value of the District for 2022 at \$362,684,398. Ms. Newman presented checks for payment of current bills as well as

disbursements by wire to the District's debt service and general fund accounts. Thereafter, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the report and authorized the disbursements listed thereon.

9. Ms. Silva presented the bookkeeper's report, copy attached, reviewing activity and ending balances in all District funds. She presented checks for payment of current bills and reviewed a budget comparison report showing activity during the first seven months of the fiscal year ending March 31, 2023. The Board noted budget amendments adopted last month were reflected on this month's report. After further discussion of the bookkeeper's report and the monthly investment report, upon motion by Director Christensen, seconded by Director Brengel, the Board voted unanimously to approve the bookkeeper's report as presented an authorized release of the checks listed thereon.

10. Mr. Montgomery presented the operator's report, copy attached, reflecting 97% water accountability and 25,959,000 gallons pumped during the month. Mr. Montgomery discussed account delinquencies including two accounts uncollectable and eligible for sending to a collections attorney. It was noted that the amount outstanding from one of the accounts was less than \$50 and, after discussion, the Board agreed unanimously to adopt a policy by this minute entry that no account will be sent for collections unless it is outstanding for at least \$50. Mr. Montgomery then submitted a list of 17 accounts to the Board subject to termination of utility service for account delinquency. 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 reported that during the month there had been a fire at the Reid Road MUD No. 2 Water Plant No. 1, rendering it inoperable. Since Reid Road No. 2's Water Plant No. 2 is also currently out of service (for a rehabilitation project), that district's facilities are not able to provide water. The District began providing water to Reid Road No. 2 through the interconnect on October 30.

Mr. Montgomery discussed the surveillance cameras recently installed and noted they are currently operating using batteries with solar panels. The operators had planned to run electricity to the cameras within the next 30 days. There appeared to be no problems with battery operation of the cameras, and to that end, the Board agreed it would prefer to continue to operate using batteries and avoid the expense of installing electric lines. Mr. Montgomery will communicate with SentiForce about this. After further discussion of operating matters, upon motion by Director Christensen, seconded by Director Brengel, the Board voted unanimously to approve the report as presented.

11. The Board discussed matters related to the North Harris County Regional Water Authority. Three new directors have been elected to the Authority board. The Board also noted that at this time the Authority's drought measures remain in place. The Board agreed the District will continue to implement its drought measures as long as the Authority's measures

remained in place. The operator was authorized to lift the District's drought measures upon receipt of notice that the Authority has lifted its measures.

12. Mr. Mueller presented the engineer's report, copy attached. He discussed planned improvements at Water Plant No. 2 including modification of the interior vented pipe and forced ventilation at the ground storage tank. As the engineers continue with design of the project they are finding that this modification may not be necessary. As appropriate the engineers will prepare a change in project scope and may be able to recommend that the Board redirect the funds originally intended for this work toward the new water well No. 4 at Water Plant No. 1 instead. The Board requested that Ms. Silva include a bond proceeds expenditure summary in her monthly reports for use and reference in discussion of proposed engineering projects such as this one.

Mr. Mueller updated the Board regarding the emergency pavement repair resulting from the operator's repair of lines at the intersection of Fallbrook and Broken Sky Drive. The bond needed for submission to Harris County should be available soon and will be submitted when available. Finally, Mr. Mueller reported that as approved last month, the engineers are preparing a map and metes and bounds description of the District's current boundaries. This map will be modified in connection with the District's annexation of an approximately 1.98-acre tract and existing buildings on Jones Road. To that end, Ms. Parks anticipated presentation of the landowner's petition to the District and the District's petition to the City of Houston for annexation for Board review and action in January. After further discussion of the engineer's report, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the report as presented.

13. Christie Leighton of Best Trash approached the Board regarding an adjustment of the rate for curbside service with recycling. Under the contract, an automatic adjustment of the monthly rate will occur on the contract anniversary date, based on the 12-month change in the consumer price index (CPI) for garbage and trash collection. The CPI increase is 4.9%, resulting in a new monthly rate of \$18.10, effective January 1, 2023. Ms. Leighton then discussed Best Trash's request for an additional 5% rate increase due to unforeseen conditions including increasing operations and fuel costs. The requested increase would result in a monthly rate per residence of \$19. Ms. Leighton presented this request in writing, copy attached, and noted that the annual CPI increase is not sufficient to cover unforeseen conditions. The Board discussed the request, and in response to a question from the Board, Ms. Leighton stated Best Trash does not have an intent to request another additional increase next year. The Board further discussed the request and noted it was pleased with the performance of Best Trash. Thereafter, upon motion by Director Brengel, seconded by Director Sumpter, the Board unanimously approved the requested rate increase.

14. Mr. Scott of Champions Hydro-Lawn presented the monthly parks report, copy attached. The parks are in satisfactory shape and there was no answer to the question about the mystery sidewalk repair. Mr. Scott then discussed materials that can be used as ground cover around the District's playground equipment in Penny Park. Following up last month's discussions, he reported sand or gravel may no longer be used for this purpose. He described other materials, including artificial turf, kiddie mulch, and a rubber mulch material available through contractor Fun Abounds. The Board appreciated this information and indicated it wants to use a satisfactory material for this purpose that will have a long life and provide the best use of District funds. Mr. Scott agreed to obtain more information and would consult with Director

Sumpter. Finally, Director Sumpter recommended the Board approve installation of a box to house bats which in turn will help control mosquitos. A proposed location to mount this box was discussed, and it was noted no maintenance would be required other than occasional clean-up of animal waste from the sidewalk below. After discussion, the Board authorized Director Sumpter to work with Mr. Scott on this project.

15. The Board reviewed a proposal for renewal of District insurance coverage. The annual premium would increase to \$33,104 due largely to increased replacement values of District facilities. After discussion, the Board voted unanimously to approve the proposal. Ms. Parks also confirmed that her office had completed its annual review of consultant insurance required by contract and that all such insurance was current with certificates on file.

16. The Board considered pending business, including logistics for the Christmas meal planned after the regular December Board meeting.

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, November 16, 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. Status of contracts for sludge hauling and facility surveillance
 - c. Bookkeeper's report and payment of bills
 - 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 meeting held October 19, 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 taxpayer appeals; approve installment payment agreements
5. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
6. 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
7. Matters related to North Harris County Regional Water Authority, including drought contingencies; authorize District actions as necessary concerning drought measures
8. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve pay requests and change orders; capital improvement plan; update on GIS mapping
9. Request(s) for service, utility commitment, or annexation of land
10. Annual CPI rate adjustment and additional one-time rate increase request from Best Trash
11. Report regarding District parks; authorize actions as necessary
12. Renew District Insurance (expires 12/15/2022)
13. Annual Review Insurance Policies of Consultants
14. Pending business

15. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.
16. Reconvene in Open Meeting to act on matters considered in Executive Session



Melissa J. Parks

Melissa J. Parks
Attorney for the District