

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

CHELFORD CITY REGIONAL WASTEWATER TREATMENT FACILITY

12 December 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 12th day of December 2022, at the Chelford City Regional Wastewater Treatment Facility 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 & Investment Officer
Bryant Magee	Asst. Vice President & Asst. Secretary
Warren Hector	Asst. Vice President & Asst. Secretary

and all of said persons were present with the exception of Director Hector, thus constituting a quorum.

Also attending were Diane Bailey of McLennan & Associates, the Bookkeeper for the Chelford City Regional Wastewater Treatment Facility (the "Plant"); Taylor Reed, P.E., of Vogler & Spencer Engineering, Inc. ("VSE"), the District's Engineer; Carlous Smith of Si Environmental, LLC, ("SiEnviro"), the Operator of the Plant; Tanny Busby of Busby Environmental Services, Inc.; Laura Bonjonia of Envirodyne Laboratories, Inc.; David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney; Winetta Billings, Connie Fowler, and Nick Alwine of the board of directors of Chelford One Municipal Utility District ("Chelford One"); Gary Gassmann of the board of directors of Harris County Municipal Utility District No. 120 ("HCMUD 120"); David Bugyi of the board of directors of Harris County Municipal Utility District No. 147 ("HCMUD 147"); Deborah Cupples of the board of directors of Mission Bend Municipal Utility District No. 1 ("MBMUD 1"); and Leroy Eaglin of the board of directors of Mission Bend Municipal Utility District No. 2 ("MBMUD 2").

Attending the meeting via teleconference were Ramon Castillo of SiEnviro; Norman Scholes, P.E., of VSE; Eston Hupp and Mike Martin of the board of directors of Chelford One; Frances Browning and Tracy Jones of the board of directors of HCMUD 120; Lynea Gallagher, Michelle Miller, and Kay Pugh of the board of Directors of HCMUD 147; Kay Haynie and Mike Alderfer of the Board of Directors of MBMUD 1;

Susan Johnson, Judy Villagomez, and Marlene Weppler of the board of directors of MBMUD 2; Miles Fabian, P.E., of AEI Engineering, a Baxter & Woodman Company, engineer for MBMUD No. 2; Bintuan Zhu, P.E. of the City of Houston; and Dick Yale of Coats Rose.

Director Gardner called the meeting to order.

Approval of Minutes

The minutes of the meeting of 14 November 2022 were presented for the Board's consideration. Ms. Cupples requested a revision of page 1 of the minutes to reflect that she attended the meeting of 14 November 2022 in person rather than by teleconference. Upon a motion duly made and seconded, the Board voted to approve the minutes of the meeting of 14 November 2022, as amended.

Operations Report

Mr. Smith reviewed the work performed at the Plant during the past month, as included in the Maintenance Items listed in the Operations Report, a copy of which is attached hereto. He then called the Board's attention to the Vibration Analysis Report for the digester blowers and process water pumps dated 8 December 2022 as prepared by G-M Inspection Services, Inc. in connection with the vibration readings collected at the Plant during November 2022. A copy of the Vibration Analysis Report is included with the Operations Report.

Mr. Smith reported that the Plant had not experienced any violations of the Permit to Dispose of Wastes for the reporting period of October 2022. He added that during October 2022 the Plant operated at 30.9% of its permitted capacity. He briefly reviewed the photographs of the work performed at the Plant, as included in the November 2022 Invoice, a copy of which is attached hereto. The Board then reviewed the Connection Account History for the Plant as included in the Operator's Report. A discussion ensued regarding the schedule for updating the Connection Account History for the Plant. The Board directed the District's Attorney to review the Professional Service Contract dated 1 June 2012 between Chelford City Regional Wastewater Treatment Plant and Si Environmental, LLC (the "Contract"), to confirm whether the Contract establishes a schedule for updating the Connection Account History.

Bookkeeper's Report

Next, Ms. Bailey submitted the Bookkeeper's Report for the Plant for the Board's consideration. She reviewed the bills to the Plant and the checks prepared in payment thereof. She then reviewed the payments of the Plant's expenses for the month of November 2022 as received from the Plant's participants.

Then the Directors examined the Operating Budget for the fiscal year ending 30 September 2023 and the Budget Comparison for November 2022, copies of which

are included with the Bookkeeper's Report. The Board also reviewed and discussed the Accounts Receivable Recap and the Schedule of Special Projects Operating Budget as presented in the Bookkeeper's Report.

Ms. Bailey discussed with the Board the deposit (the "Deposit") placed with the District by West Harris County Municipal Utility District No. 4 ("WHCMUD 4") in connection with its possible request for wastewater capacity in the Plant (the "Plant Capacity"). She noted that, to date, the balance of the Deposit totaled \$1,603.70. Mr. Reed stated that he would contact the engineer for WHCMUD 4 and confirm that WHCMUD 4 plans to renew the waste discharge permit for its own wastewater treatment plant rather than pursue the purchase of Plant Capacity.

The Board completed the review of the bills to the Plant and the checks in payment thereof. Upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the bills of the Plant. A copy of the Bookkeeper's Report for the Plant is attached hereto.

Testing and Analysis of Wastewater Collection System

Then Mr. Busby reviewed the report on the results of testing and analyses at the Plant and in the Plant's collection system, a copy of which is attached hereto. He stated that the overall results of the compliance monitoring of the Plant's collection system were good. Mr. Busby discussed with the Board the notifications sent to certain commercial establishments in the Plant's service area regarding elevated levels of contaminants detected in the wastewater samples taken from certain locations in the Plant's collection system. Ms. Bonjonia then reported that the results of the biomonitoring testing for the fourth quarter of 2022 were acceptable.

Amendments to Rate Orders of Plant's Participants

The Board briefly discussed matters relating to the adoption on 7 March 2022 of certain amendments to the District's Rate Order in connection with (1) the implementation of the Compliance Monitoring Program for the Plant; and (2) establishing maximum allowable limits for certain pollutants in the Plant influent system that would trigger an investigation (collectively, the "Amendments"). The Directors discussed the status of the adoption of similar Amendments by the Plant's participants to their respective Rate Orders.

Engineer's Report

Next, Mr. Reed presented the Engineer's Report, a copy of which is attached hereto.

Mission Bend Integrated Water System (the "Integrated Water System"). Mr. Reed reported on the status of the Integrated Water System, as detailed in the Engineer's Report attached hereto. He noted that VSE would need to begin design in

2023 for the conversion to chloramine disinfection at the water plants in the Integrated Water System. 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. He noted that the next meeting of the Board with the member districts in the Integrated Water System would be held at 6:30 p.m. on Monday, 30 January 2023.

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 had arranged for the equipment vendor to be onsite to start up the equipment soon.

Waste Activated Sludge Pumps (the "Sludge Pumps"). Mr. Reed reported on the contract with Sustanite Support Services, LLC ("Sustanite") for the Sludge Pumps project. He reported that Sustanite had submitted Pay Estimate No. 3 in the amount of \$51,727.50 in connection with the Sludge Pumps project. A copy of Pay Estimate No. 3 is included with the Engineer's Report.

Rotary Drum Screen Replacement for Scum System (the "Screen Replacement"). Mr. Reed reported on the contract with Gilleland Smith Construction, Inc. ("Gilleland") for the Screen Replacement. He reported that VSE was reviewing the contractor submittals for the Screen Replacement contract.

Replacement of Headworks "A" Washer Compactor (the "Compactor Replacement"). Mr. Reed reported on the contract with Gilleland for the Compactor Replacement. He reported that the VSE was reviewing the contractor submittals for the Compactor Replacement contract.

Replacement of Digester Blower No. 1 (the "Blower Replacement"). Mr. Reed reported on the contract with C3 Constructors, LLC (called "C3") for the Blower Replacement. He reported that VSE was reviewing the contractor submittals for the Blower Replacement.

Sludge Horizontal Screw Conveyors (the "Sludge Conveyors"). Mr. Reed reported on the contract with C3 for the Sludge Conveyors. He reported that VSE was reviewing the contractor submittals for the Sludge Conveyors. Mr. Reed added that on 9 December 2022 the repairs to a coupling shaft on the Sludge Conveyors were completed.

Upgrade of 2.5-ton Air Conditioner in Operator Room to 4-ton Unit. Mr. Reed reported that the new 4-ton air conditioning unit was on order by GH Mechanical & Services, LLC and that delivery was expected in February 2023.

Replacement of Pressure Tank on NPW System (the "Pressure Tank Replacement"). Mr. Reed reported that three bids were received by the District's Engineer for the Pressure Tank Replacement. Mr. Reed stated that the apparent low

bid for the Pressure Tank Replacement was submitted by Sustanite in the amount of \$134,000. A copy of the bid tabulation for the Pressure Tank Replacement is included with the Engineer's Report.

Proposed Replacement of Thickener Pump. Mr. Reed reported that the receipt and review of bids on the Thickener Pump had been postponed to January 2023.

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.

Electrical Conversion (4160V to 480V) (the "Conversion"). Mr. Reed reported that the 60% design plans for the Conversion project were undergoing review.

Turbo Blower Replacement. Mr. Reed reported that VSE was working on the design to phase out the existing aeration turbo blowers as they reach the conclusion of the 10-year warranty period. He noted that the 10-year warranty period on three blowers will expire in 2024, with another set to expire in 2025.

Schedule of Hourly Rates (the "Schedule"). Mr. Reed informed the Board that VSE had updated its Schedule for 2023 pursuant to the Engineering Agreement between the District and VSE. A copy of the updated Schedule is included with the Engineer's Report.

Completed Projects / Warranty Expirations. Mr. Reed then reviewed with the Board the status of the warranties on the contracts for certain projects at the Plant as detailed in the Engineer's Report.

After review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) accept the updated Schedule; (3) authorize payment of Pay Estimate No. 3 to Sustanite; and (4) accept the low bid and award the contract for the Pressure Tank Replacement to Sustanite.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Request for Annexation and Service / 17.857-Acre Tract on Westpark Drive. Mr. Yale discussed with the Board matters relating to the proposed annexation by the District of a certain tract of land on Westpark Drive (the "Westpark Tract"). He reviewed with the Board a memorandum from the District's Attorney that details the status of the agreements relating to the annexation of the Westpark Tract, consisting of (1) the Annexation, Utility Commitment, Development & Financing Agreement between the District and Houston Westpark MF LP; (2) the Purchase and Sale Agreement for Wastewater Treatment Capacity between the District, HCMUD 120, and MBMUD No. 2; and (3) the Agreement providing for Chelford City Regional Wastewater Treatment

Facility Service Area Expansion to be executed by the Plant participants (the "Service Area Agreement"). A copy of the memorandum is attached hereto and will be considered to be part of these minutes. Mr. Yale remarked that, to date, a majority of the parties to the Service Area Agreement had executed the instrument.

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

Secretary, Board of Directors

SEAL

Chelford City Municipal Utility District
Chelford City Regional Wastewater Treatment Facility
Meeting of 12 December 2022
Attachments

1. Operations Report;
2. Invoice from Si Environmental, LLC;
3. Bookkeeper's Report;
4. Testing & Analysis Reports;
5. Engineer's Report; and
6. Coats Rose memo / status of agreements relating to annexation.