

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

6 March 2023

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 6th day of March 2023, 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 Ochoa and Magee, thus constituting a quorum.

Also present were Brenda McLaughlin of Bob Leared Interests ("Leared"), the District's Tax Assessor/Collector; Diane Bailey of McLennan & Associates, L.P. ("McLennan"), 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; and David Green of Coats Rose, P.C. (called "Coats Rose"), the District's Attorney. Attending by teleconference were Dick Yale and Will Yale of Coats Rose.

Director Gardner called the meeting to order.

Approval of Minutes

First, the minutes of the Board of Directors meetings of 30 January 2023, 6 February 2023, and 7 February 2023 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 30 January 2023, 6 February 2023, and 7 February 2023, 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 2022 levy was 94.3% collected. She then asked the Board's approval of 18 checks written on the District's tax account as well as

two transfers by wire as follows: the transfer of \$36,393.39 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$30,000 to the debt Service Fund. 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.

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. A discussion ensued regarding the schedule for the billing to the participants in the Integrated Water System.

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 4.2443% 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.

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

Next, 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.

Requests for Service. Mr. Reed reviewed with the Board the status of the requests for water supply and sanitary sewer service from certain developers as detailed in the Engineer's Report attached hereto.

Proposed Annexation of 17.857-acre tract (the "Westpark Tract") / Westpark Houston MF LP ("Westpark Houston"). Mr. Reed reported that Westpark Houston was clearing the Westpark Tract. He stated that VSE was working to obtain the recorded Water Meter Easement. He noted that the District's Operator will be responsible for installing the water meter and vault to serve the Westpark 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. He then reviewed with the Board the status of certain detention ponds in the District as detailed in the Engineer's Report attached hereto.

Integrated Water System. Mr. Reed reported on the status of the Integrated Water System, as detailed in the Engineer's Report attached hereto. He reported that surface water was scheduled to be delivered to the Integrated Water System in the fourth quarter of 2025 or the first quarter of 2026. He stated that VSE would need to begin design this year for the conversion to chloramine disinfection at the water plants in the Integrated Water System. Mr. Reed stated that the Board's next meeting with the member districts of the Integrated Water System would be held at 6:30 p.m. on Wednesday, 31 May 2023.

Bellaire Boulevard Sidewalk Addition – Phase 2 / La Entrada Drive to Addicks Clodine Road (the "Sidewalk Addition"). Mr. Reed reported that VSE had submitted a request to the office of Harris County Commissioner Precinct No. 4 for Harris County to participate in the cost for the District to construct the Sidewalk Addition.

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"). Fitch has completed the start-up of the Wi-Fi System, reported Mr. Reed, and Baird Gilroy & Dixon, LLC has tied the Wi-Fi System to the SCADA System.

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 stated that Sustanite had submitted Pay Estimate No. 4 in the amount of \$29,250 in connection with the Sludge Pumps project. A copy of Pay Estimate No. 4 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 informed the Board that the contractor submittals on the Screen Replacement were underway.

Replacement of Headworks "A" Washer Compactor (the "Compactor Replacement"). Mr. Reed reported that the contractor submittals on the Compactor Replacement were in progress.

Sludge Horizontal Screw Conveyors (the "Sludge Conveyors"). Mr. Reed reported on the contract with C3 Constructors, LLC (called "C3") for the Sludge Conveyors. He remarked that the contractor submittals for the Sludge Conveyors were in progress.

Replacement of Digester Blower No. 1 (the "Blower Replacement"). Mr. Reed reported on the contract with C3 for the Blower Replacement. He stated that C3 had submitted a pay estimate in the amount of \$3,330 in connection with the Blower Replacement.

Upgrade of 2.5-ton Air Conditioner in Operator Room to 4-ton Unit. Mr. Reed reported that VSE was seeking an update from GH Mechanical & Services, LLC regarding the expected delivery date of the new 4-ton air conditioning unit.

Replacement of Pressure Tank on NPW System (the "Pressure Tank Replacement"). Mr. Reed reported on the contract with Sustanite for the Pressure Tank Replacement. He stated that construction was in progress and that VSE was continuing its review of the contractor submittals.

Proposed Replacement of Thickener Pump. Mr. Reed reported that the bids for the Thickener Pump were due on 10 March 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 VSE had advertised for bids for the Conversion with a due date of 17 March 2023.

Feed Line on Clarifier No. 4 (the "Feed Line"). Mr. Reed reviewed with the Board a proposal from C3 to replace a 28-inch section of the Feed Line at a cost of \$22,250 the ("Feed Line Repairs"). A copy of the C3 proposal is included with the Engineer's Report.

Odor Control System at Lift Station B. Mr. Reed reported that SiEnviro had notified the District's Engineer of certain issues with the Odor Control System. He stated that VSE contacted the manufacturer, which is planning a site visit to repair the Odor Control System.

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. 4 to Sustanite; (3) authorize payment of the pay estimate to C3 for the Blower Replacement; and (4) accept the C3 proposal and authorize C3 to proceed with the Feed Line Repairs.

Schedule Special Board of Directors Meeting

Consideration was then given to scheduling a special meeting of the Board to conduct a tour of the Plant facilities (the "Plant Tour"). After discussion, the Directors agreed to meet at the Plant at 9:00 a.m. on Saturday, 15 April 2023, to conduct the Plant Tour.

Consolidated Rate Order / Customer Deposits and Fees

The Board briefly discussed possible amendments to the District's Consolidated Rate Order (the "Rate Order") relating to certain deposits and fees currently being charged to the District's customers (the "Deposits and Fees") pursuant to Article IV of

the Rate Order. The Directors then deferred the discussion of possible adjustments of the Deposits and Fees to a future meeting of the Board.

Mission Bend Greenbelt Association

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

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 98.1% of the water pumped from the wells in the Integrated Water System in the period ending 7 February 2023 was accounted for (the "Accountability Rate"). A discussion ensued regarding the Accountability Rate. Director Gardner expressed his concern regarding the recent trend for the four-month average of the Accountability Rate. Mr. Smith 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 January 2023. He added that during January 2023 the Plant operated at 32.6% of its permitted capacity.

Inspection of Grease Traps. The Board discussed the frequency of the inspection of grease traps on certain sanitary sewer connections in the District by the District's Operator. Director Gardner expressed his desire for the District's Operator to provide information to the Board regarding the number of grease traps that fail inspection.

Fire Hydrants in the District (the "Hydrants"). Mr. Smith discussed with the Board the status of a Hydrant located within a Volunteer Fire Department site (the "VFD Hydrant") that is used for training purposes. He stated that the District's Operator had confirmed that the VFD Hydrant was included in the plans for the Volunteer Fire Department site and is connected with a fire water line. Mr. Smith remarked that the water usage through the VFD Hydrant is metered by the District and that the Volunteer Fire Department is billed for said usage.

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. Yale presented the Attorney's Report.

Directors Election. The Board reviewed an ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE in connection with the 6 May 2023 Directors Election. Mr. Yale noted that according to the Texas Election Code, the District has the authority to declare unopposed candidates to be elected to office because Coats Rose, P.C., the District's Attorney, has certified in writing that the candidates to be listed on the ballot for the referenced election are unopposed, and to cancel the election set for 6 May 2023. A copy of the Certificate Regarding Unopposed Candidates executed by the District's Attorney is attached hereto as an exhibit. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Order, a copy of which is attached hereto and shall be considered to be a part of these minutes.

Proposed Annexation the Westpark Tract. Mr. Yale reported on the proposed annexation of the Westpark Tract. He stated that Westpark Houston had executed and submitted to the District's Attorney the Petition for Addition of Certain Land to the District (the "Annexation Petition") and the Petition for Consent to Addition of Land (the "Consent Petition") in connection with the proposed annexation of the Westpark Tract. Mr. Green then presented the Consent Petition for the Board's approval.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) approve the Consent Petition; and (2) authorize Director Gardner to execute same. Copies of the Annexation Petition and the executed Consent Petition are attached hereto as exhibits to these minutes.

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 6 March 2023
Attachments

1. Tax Assessor/Collector's Report;
2. Bookkeeper's Report;
3. Engineer's Report;
4. Operations Report;
5. Invoice from SiEnviro;
6. Certificate Regarding Unopposed Candidates;
7. Order Declaring Unopposed Candidates Elected to Office;
8. Annexation Petition; and
9. Consent Petition.