

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
Minutes of Meeting of Board of Directors
April 19, 2023

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on April 19, 2023, 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
Ed Swannie, Director

and the following absent:

None.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Mr. John Montgomery, District operator; Mr. Mason Mueller of Cobb, Fendley & Associates, Inc.; Ms. Erin Garcia of Myrtle Cruz 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; Ms. Stephanie Bell of Sunny Sky Products, LLC; several representatives of Sunny Sky’s landlord ProLogis; 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, noting no permit violations during the month and operation of the plant at 39% of permitted capacity. Mr. Montgomery discussed unauthorized discharges from Sunny Sky Products into the sewage collection system in Reid Road MUD No. 2 affecting operation of the joint sewage treatment plant. The operators are closely monitoring plant operations and noted Sunny Sky representatives are cooperating and have taken initial remedial actions. As noted last month, Sunny Sky is working to develop a pre-treatment program to be approved by the operators. Finally, Mr. Montgomery reported receiving one odor complaint this month on the day the belt press was run. After further discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the operator’s report.

2. Ms. Garcia presented the joint plant bookkeeper’s report, copy attached, reviewing income received and disbursements made at or after the last Board meeting. She presented checks for payment of current bills and then reviewed a budget comparison report showing activity during the entire 2023 fiscal year. She also reviewed the joint plant budget adopted last month for the fiscal year ending March 31, 2024. The Board and bookkeeper agreed there was no need to amend the budget. 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.

3. Mr. Mueller presented the attached joint plant engineer's report. The contractor State Chemical has almost completed installation of the odor mist system. Mr. Mueller then discussed award of a contract for odor mitigation improvements at the joint plant and presented a tabulation of three bids received for this work. The low bid of \$737,500 was submitted by JTR Constructors Inc. This amount was higher than had been estimated, and Mr. Mueller discussed discrepancies from the estimate. Mr. Mueller recommended that the contract for this project be awarded to the low bidder contingent upon approval of bonds and insurance. The Boards of both districts noted they have funds available to pay their pro rata shares of this construction project. After discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to award the contract based on the engineer's recommendation. Ms. Parks will prepare a letter agreement between the districts describing payment of their pro rata shares for this project in accordance with the Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Agreement, as amended. After further discussion, the Board approved the engineer's report.

4. The Board reviewed a written report on law enforcement activities occurring during the month. Thereafter, the Boards opened the floor for public comment, but no public comment was offered. The Board and consultants of Reid Road MUD No. 2 then exited the meeting.

5. The Board reviewed the minutes of its meeting held March 15, 2023. Upon motion by Director Swannie, seconded by Director Christensen, the Board approved the minutes as presented.

6. The Board opened the floor for public comment. While there were no members of public present to comment, Director Sumpter stated his understanding that a representative of a homeowners association may attend a future meeting to request construction of a wall along Fallbrook Drive.

7. Robin Goin presented the tax assessor/collector's report, copy attached, which showed that through March 31, the District's 2022 taxes were 97.019% collected. Ms. Goin presented checks for payment of current bills and reviewed the remainder of the monthly report. After further discussion, upon motion by Director Brengel, seconded by Director Christensen, the Board approved the monthly report and authorized the disbursements listed thereon.

8. Ms. Garcia reviewed the bookkeeper's report, copy attached, and discussed activity and ending balances in all District funds. She reviewed checks for payment of current operating expenses and a budget comparison report showing activity during the entire 2023 fiscal year. The Board also discussed the budget for the fiscal year ending March 31, 2024 and agreed no changes were needed. The Board noted the District intends to pay its pro rata share of the costs of the sewage treatment plant odor mitigation project using available operating funds, which will still leave the District a multi-month operating reserve at the end of this fiscal year. Ms. Garcia then distributed the monthly investment report, and thereafter, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the bookkeeper's report as presented and authorized release of the checks listed thereon.

9. Mr. Montgomery presented the operator's report, copy attached, reflecting 94% water accountability and 14,440,000 gallons pumped during the month. The Board reviewed the list of water consumption by commercial users, noting the highest user this month was ProLogis. Mr. Montgomery discussed account delinquencies and submitted a list of accounts subject to termination of utility service. He noted that two of the high-balance customers were making payments on their outstanding amounts. The customers on the list 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 the operators are addressing items noted by the Board during its inspection of the water and sewer plant facilities earlier this year. To that end Mr. Montgomery asked about a good contact at the homeowners association to discuss repair of its fence near the District's administration building. Finally, Mr. Montgomery reported there was no update from the electrician regarding running electric lines to the surveillance cameras. After further discussion of operating matters, the Board voted unanimously to approve the monthly report.

10. The Board discussed lead and copper tap sample monitoring for the six-month period ending June 30, 2023. The District had received communication from the Texas Commission on Environmental Quality regarding this matter and Mr. Montgomery noted the operators are handling it and will submit the results by the required deadline.

11. Mr. Montgomery confirmed that his office had completed emergency operations information, including the annual application for critical load status, and submitted it to the proper authorities.

12. Mr. Mueller presented the engineer's report, copy attached, and noted the status of various projects. Concerning the location for a new water well, Mr. Mueller noted that subconsultant Advanced Groundwater Solutions recommended performance for a water and gas field sampling and report on the existing water wells. AGS submitted a proposal in the amount of \$8,800, which Mr. Mueller recommended the Board approve. The Board noted it had not finally determined whether to drill a new well but after discussion agreed it was reasonable to obtain the information to be provided by such sampling. Mr. Mueller next reported the engineers had prepared exhibits for use by the District's operator to obtain proposals for the third phase of sanitary sewer smoke testing. Mr. Mueller then reported having been contacted by an engineer concerning proposed development by a glass fabrication company on the property at 11125 Summer Harvest Drive. The letter requested information on utility availability from the District, and the Board authorized Mr. Mueller to respond on behalf of the District. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to accept the proposal from AGS for testing at the existing water wells and authorized the District's operator to request proposals for sanitary sewer smoke testing. Thereafter, the Board unanimously approved the engineer's report.

13. No Board action was necessary at this time concerning service to property in the District to be developed by Urban Logistics Realty LLC or with regard to annexation of the 1.98 acres of Kismet & Fate Limited Partnership.

14. Mr. Scott presented the monthly parks report, copy attached, noting that the most recent facility inspection was completed on April 11. He will bring a proposal to the next Board meeting for repair of a crack in the sidewalk in Park On The Bend. The Board agreed that overall, the parks appeared to be in good condition.

15. The Board discussed matters related to the North Harris County Regional Water Authority and its most recent meeting. The Board also discussed communications with the Authority and its contractor concerning the path of the surface water transmission line and the connection at the District's facilities. Mr. Mueller is in contact with Aurora Technical on these matters and specifically including any conflicts with existing District lines.

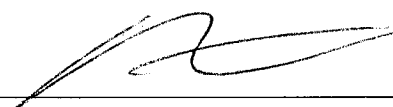
16. The Board discussed District policies and procedures for the reservation and use of the District's administration building in light of discussions last month about outside users. Ms. Parks had drafted proposed amendments to the policies and procedures for Board review and discussion. The Board agreed to review them during the month and discuss the document again at the next Board meeting.

17. The Board considered amendment of the District's water interconnect agreements with Reid Road MUD No. 2, and Emerald Forest UD and White Oak Bend MUD. Amendments would be necessary to address NHCRWA fees as well as an expected request from Reid Road MUD No. 2 regarding the increased cost of water production. The Board tabled action until more information is available.

18. The Board considered amendment of the District's Code of Ethics to among other things require submission of expense reimbursements and claims for fees of office within 60 days of the date of service. The Board reviewed the attached Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management, and after discussion, upon motion by Director Christensen, seconded by Director Brengel, voted unanimously to adopt same.

19. The Board reviewed the quarterly report on ratings of the District's insurance carriers, noting all ratings were satisfactory.

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



Secretary

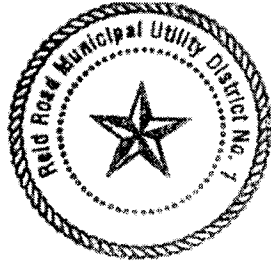
REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
NOTICE OF PUBLIC MEETING

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, April 19, 2023**.

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, maintenance and other appropriate actions
 - b. Bookkeeper's report and payment of bills
 - c. Resolution Amending Joint Plant Budget for fiscal year ending March 31, 2024
 - 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 March 15, 2023
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. Resolution Amending Operating Budget for fiscal year ending March 31, 2024
7. Operator's report; review active connections and water accountability; review operation of District facilities and authorize repairs, maintenance and other appropriate actions; consider customer appeals; approve termination of service to delinquent accounts
8. Lead and copper tap sampling
9. Submission of Emergency Operations Information; Application for Critical Load Status
10. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts, including bids for phase 3 sanitary sewer smoke testing; approve pay requests, change orders; capital improvement plan
11. Service to project to be developed in District by Urban Logistics Realty, LLC; authorize actions as appropriate
12. Annexation of 1.98 acres of Kismet & Fate Limited Partnership; authorize appropriate action
13. Report regarding District parks; authorize actions as necessary
14. Matters related to North Harris County Regional Water Authority
15. Review of building rental policy; amend as necessary

16. Amendment to water interconnect agreements with Reid Road MUD No. 2, Emerald Forest UD and White Oak Bend MUD
17. Amendment of Code of Ethics
18. Quarterly Review of Insurance Ratings
19. Pending business



Melissa J. Parks

Melissa J. Parks
Attorney for the District