

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

CHELFORD CITY REGIONAL WASTEWATER TREATMENT FACILITY

13 February 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 13th day of February 2023, 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, 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., and Norman Scholes, 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. (called "BES"); Laura Bonjonia of Envirodyne Laboratories, Inc. ("Envirodyne"); David Green of Coats Rose, P.C., ("Coats Rose") the District's Attorney; Nick Alwine, Winetta Billings, and Connie Fowler 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"); and Deborah Cupples of the board of directors of Mission Bend Municipal Utility District No. 1 ("MBMUD 1").

Attending the meeting via teleconference were Ramon Castillo of SiEnviro; Brian Toldan of McCall Gibson Swedlund Barfoot, PLLC ("McCall"), the District's Auditor; Eston Hupp and Michael Martin of the board of directors of Chelford One; Frances Browning and Sylvia Marinez of the board of directors of HCMUD 120; Lynea Gallagher and Michelle Miller of the board of Directors of HCMUD 147; Mike Alderfer and Kay Haynie of the Board of Directors of MBMUD 1; Mary Bertrand, Susan Johnson, Judy Villagomez, and Marlene Weppler of the board of directors of Mission Bend Municipal Utility District No. 2 ("MBMUD 2"); Miles Fabian, P.E. of AEI Engineering, a Baxter

Woodman Company, engineer for MBMUD 2; Bintuan Zhu, P.E. of the City of Houston; and Dick Yale and Will Yale of Coats Rose.

Director Gardner called the meeting to order.

General Comments

The President recognized Mr. Bugyi, who addressed the Board regarding the damage being caused to water lines and sanitary sewer lines in HCMUD 147 and other water districts by contractors for telecommunication companies in the course of installing underground fiber optic cable.

Approval of Minutes

The minutes of the meeting of 9 January 2023 were presented for the Board's consideration. Upon a motion duly made and seconded, the Board voted to approve the minutes of the meeting of 9 January 2023, as written.

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 11 February 2023 as prepared by G-M Inspection Services, Inc. in connection with the vibration readings collected at the Plant during January 2023. 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 December 2022. He added that during December 2022 the Plant operated at 33.2% of its permitted capacity. He briefly reviewed the photographs of the work performed at the Plant, as included in the January 2023 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.

Annual Financial Report for the Fiscal Year ended 30 September 2022

Mr. Toldan reviewed the Annual Financial Report for the Plant for the fiscal year ended 30 September 2022 (the "Fiscal Year"). He pointed out that McCall had issued a clean opinion on the financial affairs of the Plant, which meant that McCall had been provided with all the materials necessary to audit the books and records of the Plant. He then reviewed the income and expenditures for the fiscal year. Mr. Toldan called the Board's attention to the summaries of billings and collections from each of the participants in the Plant.

Director Gardner then explained that the Board had reviewed and approved the Annual Financial Report for the Plant at the District's 6 February 2023 Board of Directors meeting. He noted that the participants in the Plant could contact McCall if

they had questions. A copy of the Annual Financial Report for the Plant is filed in the permanent records of the District.

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 January 2023 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 January 2023, copies of which are included with the Bookkeeper's Report. The Board also reviewed and discussed the Accounts Receivable Recap, the Schedule of Special Projects Operating Budget, and the Schedule of Investments as presented in the Bookkeeper's Report. A discussion ensued regarding the Schedule of Investments. The Board noted that the TexPool investment pool was offering a significantly higher interest rate on deposits at this time than Central Bank. Ms. Bailey stated that the District's Bookkeeper would look into the Texas Class Local Government Investment Pool as an alternative to the money market account at Central Bank. A discussion then ensued regarding the Accounts Receivable Recap. Director Gardner expressed his view that certain information in the Accounts Receivable Recap was incorrect and needed to be revised.

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. He discussed in detail the results of the confirmation testing of samples taken from the sampling well located near the Super S Stop store in MBMUD 2. Ms. Bonjonia then reported that the next round of biomonitoring was scheduled for 20, 22, and 24 February 2023.

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 the third quarter of this year for the conversion to chloramine disinfection at the water plants in the Integrated Water System. At this time, he told the Board, the West Harris

County Regional Water Authority (the "WHCRWA") is projected to provide surface water to the Integrated Water System in the fourth quarter of 2025 or early 2026. Mr. Reed then noted that VSE's combined WaterCAD Model for the member districts in the Integrated Water System was presented at the Board's meeting held on 30 January 2023 with the member districts of the Integrated Water System. He added that the District's Engineer and Operator reviewed the WaterCAD Model and will add the emergency protocol.

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 start-up of the Wi-Fi system and that Baird Gilroy & Dixon, LLC was working on tying in the new equipment 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 reported that the north Sludge Pump was moved to the south location so that wasting could continue. A spare Sludge Pump has been delivered, he continued, but will not be installed until repairs to Clarifier No. 4 are complete

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 on the contract with Gilleland for the Compactor Replacement. He remarked that the contractor submittals on the Compactor Replacement 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 remarked that the contractor submittals for the Blower 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 stated that C3 had submitted Pay Estimate No. 2 in the amount of \$39,420 in connection with the Sludge Conveyors project. A copy of Pay Estimate No. 2 is included with the Engineer's Report.

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 later this month.

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 receipt and review of bids on the Thickener Pump had been postponed to 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 the 90% design plans for the Conversion project have been completed and that VSE was conducting the quality assurance and quality control review of same.

Feed Line on Clarifier No. 4 (the "Feed Line"). Mr. Reed reported that VSE met with the contractor on 6 February 2023 to discuss options for repairing the Feed Line (the "Feed Line Repairs"). He stated that VSE was preparing a proposal for the solicitation of bids for the Fee Line Repairs.

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.

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.

Plant Tour. Mr. Reed informed the Board that the tour of the Plant facilities would be conducted on Saturday, 15 April 2023.

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. 2 to C3; (3) authorize the District's Engineer to advertise for bids for the Conversion project.

West Harris County Municipal Utility District No. 4 ("WHCMUD 4")

The President recognized Mr. Bugyi, who addressed the Board on matters relating to the request from WHCMUD 4 to purchase wastewater treatment capacity in the Plant (the "Plant Capacity"). Mr. Reed explained the calculation of the capital cost that would be charged to WHCMUD 4 for the purchase of the Plant Capacity. Mr. Yale reported that the District's Attorney had transmitted a letter to Smith Murdaugh Little & Bonham, LLP, the attorney for WHCMUD 4, requesting that the board of directors of WHCMUD 4 provide the District with correspondence confirming the intention (either way) of WHCMUD 4 with regard to the purchase of the Plant Capacity. A copy of said letter is attached hereto as an exhibit to these minutes.

Attorney's Report

Mr. Yale stated that there were no additional items to be discussed under the Attorneys Report.

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 13 February 2023
Attachments

1. Operations Report;
2. Invoice from Si Environmental, LLC;
3. Bookkeeper's Report;
4. Testing & Analysis Reports;
5. Engineer's Report; and
6. Letter from Coats Rose, P.C. to Smith, Murdaugh, Little & Bonham, LLP.