

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

May 17, 2023

The Board of Directors ("Board") of Reid Road Municipal Utility District No. 1 ("District") met on May 17, 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. Odett Newman, 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; and Ms. Dede Wyatt of the attorney's office.

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 or reports of odor complaints this month. The odor mister is up and running and the plant smells like Febreze. 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 submitted Check 1256 payable to Imperial Fencing for gates at the plant of \$8,750.00 for approval tonight. She reviewed the joint plant budget for the fiscal year ending March 31, 2024. After further discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the bookkeeper's report as presented and authorized payment of Check 1256 along with the checks listed thereon.

3. Mr. Mueller presented the attached joint plant engineer's report. The design plans for the WWTP outfall project are being updated and the engineers will resubmit them to Harris County this week. The contracts for digester odor mitigation are being reviewed by the attorney's office. Installation of the odor mist system is complete and the system is

working. The waste discharge permit expires May 28, 2024 and Mr. Mueller presented a proposal for engineering services related to the renewal in the amount of \$35,000 not including fees and expenses. There was discussion regarding the expiration of the term of the Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Agreement. Ms. Parks drafted and both boards reviewed the terms of renewal of the Agreement, and agreed to renew the Agreement effective April 1, 2023 with a one (1) year term, through April 1, 2024. After approval of the extension of the Agreement, the boards considered the Odor Mitigation Improvements to the plant by JTR Constructors. Both boards reviewed and approved in substantially the form presented a letter agreement between the districts describing payment of their pro rata shares for the odor mitigation project at the joint plant. After further discussion, the Board approved the engineer's report and authorized Cobb Fendley to proceed with renewal of the waste discharge permit.

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 April 19, 2023. Upon motion by Director Brengel, seconded by Director Sumpter, the Board approved the minutes as presented.

6. The Board opened the floor for public comment. There were no members of public present to comment.

7. Odett Newman presented the tax assessor/collector's report, copy attached, which showed that through April 30, the District's 2022 taxes were 94.929% collected. Ms. Newman reported the 2023 preliminary taxable values show a 15.91% increase over 2022 values. The real property value is \$436,132,034 and the personal property value which is still being processed will add an additional \$15,000,000. Ms. Newman presented checks for payment of current bills and reviewed the remainder of the monthly report. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board approved the monthly report and authorized the disbursements listed thereon.

8. Mr. Montgomery presented the operator's report, copy attached, reflecting 98% water accountability and 14,531,000 gallons pumped during the month. The Board reviewed the list of water consumption by commercial users, noting the highest user this month was Windfern Plaza. Mr. Montgomery discussed account delinquencies and submitted a list of accounts subject to termination of utility service. He noted that the highest account resulted from a leak at 3A Glass Fabricators. 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 on the status of the surveillance camera. He is still working on the issue of getting power at the administration building but anticipates all cameras will be working by next week. Mr. Montgomery reported there is a Line Replacement Program through the Texas Water Development Board that provides low-cost financial assistance for planning, acquisition, design and construction of water infrastructure, with 51% of the costs coming through grants and the District paying the remaining 49%. Mr. Montgomery requested authorization to prepare and submit the application. After further discussion of operating matters, the Board voted unanimously to approve the monthly report.

9. 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 for the first month of the fiscal year ending March 31, 2024. Ms. Garcia pointed out Check 1595 for \$1,642.42 is to pay the tax office for analyzing businesses under the District's Strategic Partnership Agreement with the City of Houston; Check 1596 is to escheat unclaimed funds to the Comptroller, and Check 1600 for \$21,100 is to Imperial Fencing. Ms. Garcia then distributed the monthly investment report, and thereafter, upon motion by Director Swannie, seconded by Director Christensen, the Board voted unanimously to approve the bookkeeper's report as presented and authorized release of the checks listed thereon.

10. Mr. Montgomery reviewed the annual Consumer Confidence Report with the Board, and it was unanimously approved in substantially the form presented. The Board authorized the CCR to be distributed and filed as required by law, including the use of a URL link to be supplied by the operator.

11. Mr. Scott presented the monthly parks report, copy attached, noting that the most recent facility inspection was completed on May 9. Director Christensen asked that Mr. Scott look into the drainage along Windfern along the side of the school, stating she has noticed the water doesn't drain well in that area. Mr. Scott reported he will not be present at next month's meeting because of the annual AWBD Summer Conference but will submit his report for the Board to review at the meeting.

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 is coordinating to conduct water and gas field sampling. Mr. Mueller reported on the MCC replacement project at Water Plant #1. A preconstruction meeting was held April 27 and notice to proceed was issued May 15 to McDonald Municipal & Industrial. The contractor submitted a change order substituting metal doors for the fiberglass doors and reducing the bollard size from 8" to 6". Thereafter, the Board unanimously approved the engineer's report and the change order in the amount of \$3,230.

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. 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 for Board review and discussion. Ms. Parks had received comments from a couple of directors but not in time to incorporate into the draft document. All Directors received a printed copy of the draft document with handwritten comments and agreed to review the amendments during the month and discuss the document again at the next Board meeting.

15. The Board considered amended water interconnect agreements with Reid Road MUD No. 2, Emerald Forest UD and White Oak Bend MUD, as the District's operator indicated the cost to produce water had increased to \$1.75/1,000 gallons. The amended agreement with Reid Road MUD No. 2 is an increase of \$1.75/1,000 gallons of water, and the amended agreement with Emerald Forest UD and White Oak Bend MUD would have the same increase of \$1.75/1,000 gallons of water plus the NHCRWA fees. The Board unanimously approved the amendments and directed they be sent to each district for consideration and approval.

16. The Board next considered election of officers. A motion was made to nominate Director Brengel as Treasurer and Assistant Secretary and all other officers would remain the same. Upon unanimous vote, the motion was passed.

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



Secretary

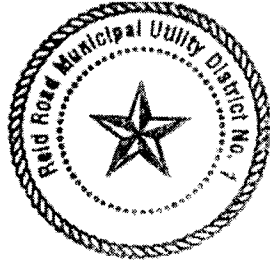
**REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
AMENDED NOTICE OF PUBLIC MEETING**

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, May 17, 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. Engineer's report; preparation of plans, advertising for bids, award of contracts
 - d. Renewal and extension of Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Agreement, as amended
 - e. Agreement for pro-rata funding of odor mitigation improvements
 - f. Constable's patrol report
 - g. Presentation of public comments
2. Approve minutes of meeting held April 19, 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. 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; phase 3 sanitary sewer smoke testing; annual Consumer Confidence Report; increase in cost of water production
7. Amendment to water interconnect agreements with Reid Road MUD No. 2, Emerald Forest UD and White Oak Bend MUD
8. Report regarding District parks; authorize actions as necessary
9. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders; capital improvement plan
10. Consider and authorize appropriate action on requests for service, including:
 - a. in-District project of Urban Logistics Realty, LLC
 - b. annexation of Kismet & Fate Limited Partnership 1.98-acre tract
11. Matters related to North Harris County Regional Water Authority; authorize action as appropriate
12. Review and amendment of building rental policy

- 13. Local government officers annual conflicts disclosure statement
- 14. Election of District officers
- 15. Pending business



Melissa J. Parks

Melissa J. Parks
Attorney for the District