

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

June 21, 2023

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on June 21, 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
Karen Brengel, Treasurer
Robert Sumpter, Secretary
Ed Swannie, Director

and the following absent:

Carla Christensen, Vice President.

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; 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. 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 44% of permitted capacity. He reported that beginning next week, all cameras providing surveillance for the plant will run on solar power. 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 also presented check No. 1274 payable to State Chemical Solutions in the amount of \$5,376.86. The Board discussed Reid Road MUD No. 2’s \$60 per month payment to the District for use of the administration building for its regular monthly meetings. The Board unanimously agreed this payment was no longer necessary. After further discussion, upon motion by Director Swannie, seconded by Director Brengel, the Board voted unanimously to approve the bookkeeper’s report as presented and authorized payment of the checks listed thereon as well as check No. 1274.

3. Mr. Mueller presented the attached joint plant engineer’s report. A preconstruction meeting had been held in May with JTR Constructors for construction of the odor mitigation improvements. A June 12 notice to proceed had been issued to this contractor. The engineers continue work on the District’s application to the Texas Commission on Environmental Quality for renewal of its waste discharge permit, and Mr. Mueller requested Board signature of the application form. After further discussion, the Board approved the engineer’s report.

4. The Board considered a letter agreement with Reid Road MUD No. 2 for payment of each district's pro rata share of costs for the odor mitigation project at the joint plant. The agreement was initially presented last month. No. 2 proposed no comments or revisions, so the Board unanimously approved the agreement as presented last month and authorized its execution.

5. The Board reviewed a written report on law enforcement activities occurring during the month and also heard from Sergeant Martinez. 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.

6. The Board opened the floor for public comment, and Director Sumpter made the Board aware of a complaint from a Harvest Bend homeowner that a tree is blocking and diffusing light from a nearby streetlight. The Board noted that as this tree is not located on District property, it appeared there will be nothing for the District to address if the homeowner ever officially submits such a complaint to the District.

7. The Board reviewed the minutes of its meeting held May 17, 2023, and upon unanimous vote, approved the minutes as presented.

8. Robin Goin presented the tax assessor/collector's report, copy attached, which showed that through May 31, the District's 2022 taxes were 98.068% collected. Ms. Goin reviewed the remainder of the monthly report and presented checks for payment of current bills. After brief discussion about 2023 property values, upon unanimous vote, the Board approved the monthly tax assessor-collector's report and authorized the disbursements listed thereon.

9. Ms. Garcia reviewed the bookkeeper's report, copy attached, discussing activity and ending balances in all District funds. There were three checks for approval written on the capital projects fund account related to projects currently underway. It was noted that check No. 1628 on the operating account was the last payment to Infrastructure Tech Solutions. The Board discussed payments to Lupe Montoya and it was mentioned that Director Swannie will speak with Mr. Montoya about timely submission of invoices. Ms. Garcia next reviewed a budget comparison report showing activity during the first two months of the fiscal year ending March 31, 2024. Thereafter she distributed and reviewed the monthly investment report, and then prepared checks to advance reimbursement of expenses for the four directors who will be attending the AWBD summer conference later this week. Finally, there were discussions about changes to the Texas Water Code effective June 18 allowing an increase of director fees of office upon Board adoption of a resolution authorizing same. An item will be placed on next month's agenda for approval of such a resolution. Thereafter, upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized release of the checks listed thereon and as discussed above.

10. The attorney noted that the annual disclosure required of the District's investment officers under the Texas Public Funds Investment Act had been completed by Karen Brengel and Mary Jarmon and had been provided to Director Carla Christensen for completion.

11. Mr. Montgomery presented the operator's report, copy attached, reflecting 95% water accountability and 10,237,000 gallons pumped during the month. Mr. Montgomery discussed account delinquencies and submitted a list of accounts subject to termination of utility

service. 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. On the operator's recommendation, two accounts in the total amount of \$115.81 were deemed uncollectable and recommended for write-off. The Board authorized the write-offs and also authorized termination of service to a customer who attempted payment of his account with a check that was later returned due to insufficient funds.

Mr. Montgomery reported on bids received for the Phase III smoke testing of District sanitary sewer lines. The low bid was submitted by Ram Rod Utilities, LLC in the amount of \$36,262.32. The operator recommended proceeding with this contractor and noted the proposed amount was within the amount budgeted for this project. After discussion, the Board provided unanimous approval. The Board agreed that any repairs found necessary as a result of this testing will be conducted at the same time that repairs are done for problems identified during Phase I and II testing.

Mr. Montgomery presented for Board consideration the request of Epic Paint at 10670 Jones Road for discontinuation of the District's monthly grease trap fee. Mr. Montgomery described the nature of this company's business and noted that such fee and monthly inspections are required under the District's Rate Order and Industrial Waste Order. After discussion, the Board denied the request.

Mr. Montgomery briefly updated the Board on Reid Road MUD No. 2 customer Sunny Sky and that district's requirement that the customer develop a pretreatment program. Sunny Sky continues to make unauthorized discharges into No. 2's sewage collection system, which also affects operation of the joint sewage treatment plant. Thus far, this customer has not presented a draft program for approval by No. 2 and so that district has set a deadline for submission of same.

The operator reported on the operation of surveillance cameras and noted all work was complete except for the camera monitoring the District's administration building. The camera could not be connected to electric power due to its location. After discussion, the Board agreed that this camera should be moved and another camera added, which would also result in monitoring of the entire building premises. Finally, Mr. Montgomery requested placement of an item on next month's agenda for Board consideration of an adjustment of the operator's monthly rates. After further discussion of operating matters, the Board voted unanimously to approve the monthly report.

12. 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. He provided a copy for filing at the offices of the District's attorney.

13. Mr. Mueller presented the engineer's report, copy attached, and reported on the status of various projects. Subconsultant Advanced Groundwater Solutions continues to coordinate with the engineers and operator to conduct water and gas field sampling in relation to determining a location for a new water well. Concerning advertisement by the North Harris

County Regional Water Authority of its Project 31A chloramination facilities at the District's water plant, Mr. Muller reported his understanding that the project would be advertised for bids in July or August. The engineers have not yet received design updates or construction scheduling from the Authority's design engineer.


Mr. Mueller presented pay estimate No. 1 of CF McDonald Electric, Inc. for \$78,675.20 for replacement of the motor control center at Water Plant No. 1. The engineer recommended payment of this amount, and upon unanimous vote, the Board authorized same. Next, Mr. Mueller presented pay estimate No. 1 of A & H Coating Services, LLC in the amount of \$101,317.50, as well as a change order in the amount of \$8,750 for improvements at Water Plant No. 2. Upon the engineer's recommendation, the Board authorized payment of the pay estimate and approved the change order.

Mr. Mueller reported the engineers are in the process of completing the City of Houston application form for the District's request for City consent to annex Kismet & Fate Limited Partnership's 1.98-acre tract. Mr. Mueller then discussed the request presented last month from A3 Glass Fabricators for capacity sufficient to serve proposed development of the southern portion of its property in the District at 11125 Summer Harvest Drive. Mr. Mueller confirmed that the District has adequate capacity and recommended issuance of a utility commitment. After discussion, the Board authorized same.

Mr. Mueller reported the District had recently received a request for service for the proposed Cy-Hope Baseball Fields facility to be located near the District at 13002 Windfern Road. The District was originally contacted about this project a little over a year ago. The Board noted it was not averse to providing the service and also noted it would not require annexation if the entity is tax exempt. Presuming the District's water and sewer plants had capacity to provide the requested service, the District would consider serving the facility under an out-of-District agreement that would require Cy-Hope to pay for design and construction of any necessary utility facilities and obtain any related easements. After further discussion, the Board unanimously authorized the engineer and attorney to follow up on the matter with Cy-Hope representatives. Thereafter, upon motion by Director Sumpter, seconded by Director Swannie, the Board voted unanimously to approve the engineer's report.

14. The Board discussed District policies and procedures for reservation and use of the District's administration building. Ms. Parks had incorporated the Directors' proposed amendments to the document as discussed at previous meetings. The Board reviewed the updated document and agreed on a \$500 deposit and a \$200 fee per event to be charged to in-District private individuals and groups. Subject to that discussion, upon motion by Director Brenzel, seconded by Director Sumpter, the Board voted unanimously to adopt the attached Resolution Establishing Policies and Procedures for the Reservation and Use of the Reid Road MUD No. 1 Administration Building.

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, June 21, 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. Agreement for pro-rata funding of odor mitigation improvements
 - e. Constable's patrol report
 - f. Presentation of public comments
2. Approve minutes of meeting held May 17, 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. Review ethics letters and annual update by Investment Officers
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; phase 3 sanitary sewer smoke testing
8. Annual Submission of Emergency Operations Information; Application for Critical Load Status
9. Report regarding District parks; authorize actions as necessary
10. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders; capital improvement plan
11. Consider and authorize appropriate action on requests for service
12. Matters related to North Harris County Regional Water Authority; authorize action as appropriate
13. Review and amendment of administration building rental policy
14. Pending business



A handwritten signature in black ink that reads "Melissa J. Parks".

Melissa J. Parks
Attorney for the District