

# REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

June 19, 2024

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, June 19, 2024, 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 and Assistant Secretary  
Ed Swannie, Director

and the following absent:

Robert Sumpter, Secretary  
Carla Christensen, Vice President.

Also present were Ms. Erin Garcia and Ms. Vanessa Martinez, District bookkeepers; Ms. Robin Goin, tax assessor-collector for the District; Mr. John Montgomery, District operator; Mr. Mason Mueller, District engineer; 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. 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. There was an E. coli excursion during the month, attributable to heavy rain at the plant and a lift station that was inoperable for several hours. The plant operated at 44% of permitted capacity during the month. Mr. Montgomery reported on additional operations activity during the month, and after Board discussion, upon unanimous vote, the Board approved the operator’s report as presented.

2. Ms. Garcia presented the joint plant bookkeeper’s report, copy attached. She reviewed checks presented for payment of current bills. She also presented check No. 1439 payable to State Chemical in the amount of \$5,376.86, which was not listed on the report. She reviewed the budget comparison report for the first two months of the fiscal year ending March 31, 2025. The Board agreed to consider amendment of the 2025 budget at the next meeting to increase the disc filter upgrade portion of the major maintenance/repair expenditure. After further discussion of bookkeeping matters, upon unanimous vote, the Board approved the report as presented and authorized release of the checks listed thereon plus check No. 1439.

3. Mason Mueller presented the attached joint plant engineer’s report. He presented a \$10,658 engineering proposal for inspection phase services for the wastewater treatment plant outfall project. Contractor PLD Construction LLC is expected to mobilize on site early next week.

There was no pay estimate this month to JTR Constructors Inc. for the odor mitigation project. Testing and start-up is scheduled for this Friday. Finally, Mr. Mueller reported that the

engineers had published the required notices in connection with renewal of the District's waste discharge permit. After further discussion of the engineer's report, upon motion by Director Brengel, seconded by Director Swannie, the Board voted unanimously to accept the proposal for inspection phase services and approved the report as presented.

4. Regarding renewal and restatement of the Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Contract, Mr. Roach and Mr. Handal indicated they planned to meet soon and review the document on behalf of Reid Road No. 2. The districts continue operating under the existing agreement on a month-to-month basis until a new agreement is finalized and executed.

5. Sergeant Martinez addressed the Boards concerning law enforcement patrol within the districts. He reviewed a written report on activities that had occurred during May.

6. The Boards opened the floor for public comment, but no public comments were offered. The Board and consultants of Reid Road No. 2 then exited the meeting.

7. The Board reviewed the minutes of its meetings held April 17 and May 15, 2024. Upon unanimous vote, the Board approved both sets of minutes as presented.

8. The Board opened the floor for public comments. No comments were offered.

9. Robin Goin presented the tax assessor-collector's report, copy attached. Through May 31, the District's 2023 taxes were 98.163% collected, leaving \$32,542.38 outstanding. Ms. Goin reviewed checks for payment of current bills and noted that upon their release, the balance in the tax account would stand at \$101,005.57. Ms. Goin discussed delinquent accounts, noting a taxpayer had defaulted on a payment plan set up in February, 2024. Ms. Goin next reported that the Harris Central Appraisal District had provided information on the preliminary taxable value of all property in the District as of January 1, 2024. At \$454,030,896, the 2024 values had increased by approximately 18.5%. After further discussion, upon unanimous vote, the Board approved the tax assessor-collector's report as presented and authorized release of the disbursements listed thereon.

10. Erin Garcia presented the bookkeeper's report, copy attached. Regarding the summary of construction and engineering costs originally programmed for funding projects with proceeds of the District's Series 2015 bonds, the bookkeeper will communicate further with the engineer and attorney on additional breakdown of the costs. Ms. Garcia presented checks written for payment of current bills and reviewed activity and ending balances in all accounts. She also presented check No. 2009 which was not listed on the report, payable to STP Services in the amount of \$26,030 in connection with work at well No. 3 at Water Plant No. 2. Ms. Garcia reported that the Harvest Bend homeowners association had paid its annual contribution towards park maintenance. The bookkeeper then reviewed a budget comparison report reflecting activity during the first two months of the fiscal year ending March 31, 2025. She next discussed the monthly investment report and noted that her office has identified several banks offering certificates of deposit with interest rates above 5%. Next, she discussed reimbursement of directors for travel expenses in connection with the recent Association of Water Board Directors conference. The Board agreed unanimously to a maximum reimbursement of \$50 per meal if a director does not submit a restaurant receipt. After further discussion of the bookkeeper's report, upon motion by Director Brengel, seconded by Director Swannie, the Board unanimously approved the report as presented and authorized release of the checks listed thereon as well as check No. 2009.

11. It was mentioned that the District's investment officers are required by law to disclose annually any personal business relationships with individuals or entities offering to engage in investment transactions with the District. Investment officers Mary Jarmon, Karen Bregel, and Carla Christensen have been provided the forms via which they can make their annual disclosures. The attorneys will inform the Board further as necessary concerning the disclosures.

12. John Montgomery presented the operator's report, copy attached. Water accountability for the month was 93%. Mr. Montgomery reported that Accurate Meter Services will begin leak detection testing within the next two weeks, weather permitting.

Mr. Montgomery reviewed customer billing and collections data and presented five accounts eligible for write-off and sending to collections in the amount of \$516.29. He next submitted a list of accounts subject to termination of utility service for delinquency. The commercial customer at 10953 FM 1960 W. contacted the operators for adjustment of its bill. The customer's slab cracked, breaking a water line and causing a leak. The customer had since repaired the line. Mr. Montgomery stated that upon Board authorization, the sewer portion of the bill could be adjusted and payment of the remaining charges could be allowed in installments. After discussion, the Board authorized this action. Mr. Montgomery stated the operators have received no appeals or contact from any other customers, and no customers were present at the Board meeting to contest their bills. After discussion, upon unanimous vote, the Board authorized the operator to proceed with termination of utility service to the remaining delinquent accounts pursuant to provisions of the District's Rate Order.

Mr. Montgomery reported that water well No. 3 at plant No. 2 was back in service, and emergency repairs continue at water well No. 2 at plant No. 1. He next reported that he and Ms. Parks are working together with Foundation Support Specialists on a contract for work to prevent further sinking of the administration building slab. He next reported on activity at the residence at 10014 Rippling Fields Drive. This customer had experienced a sewer backup which the operators addressed. The operators determined the backup was ultimately caused by unauthorized discharge of grease into the District's waste collection system by a neighbor preparing food for commercial sale at their residence. The operators terminated water service to this customer and have informed the customer that the District's policies prohibit such discharge. The Board appreciated this information and also mentioned that a director may notify the homeowner's association, as neighborhood deed restrictions do not allow operation of a commercial kitchen in the residential subdivision. After further discussion of operating matters, upon unanimous vote, the Board approved the report as presented.

13. Mr. Montgomery confirmed that his office had completed emergency operations information, including the annual application for critical load status, and submitted it to proper authorities. He provided a copy for filing at the offices of the District's attorney.

14. Erik Scott presented the monthly parks report, copy attached. The most recent inspection of facilities was completed on June 10 and no problems were observed. The report contained photographs of the rubber mulch which had been installed around playground equipment in Penny Park. Mr. Scott then reported that Champions Hydro-Lawn had recently been bought out, and Mr. Kim Cosco is the General Manager. After further discussion, the Board unanimously approved Mr. Scott's report.

15. Mason Mueller presented the engineer's report, copy attached. He reported that the engineers have received and addressed comments from Harris County on the Phase 1 water line rehabilitation project plans and will soon resubmit the plans for approval. Mr. Mueller next distributed a summary of engineering fees paid by the District to date on the motor control center

replacement, water plant rehabilitation, and water well No. 4 projects using proceeds from the District's Series 2015 bonds. The Board appreciated receiving this itemized information and requested the addition of itemized construction costs as well. Mr. Mueller also noted the engineers had last updated the District's capital improvements project list in March. He distributed the list again, noting it will be relevant during a detailed discussion on the subject.

Mr. Mueller reported on progress of emergency repairs by C&C Water Services LLC at the District's water well No. 2. A preconstruction meeting for the North Harris County Regional Water Authority's project 31A facilities is scheduled for June 24. There was no pay estimate from the motor control center contractor this month, but delivery of the cabinets is still expected in July.

Mr. Mueller reported on the status of proposed service to the Cy-Hope Ballfields development. The project engineers must still submit interior plumbing plans. The District will require a grease trap if food will be prepared at the concession stand. Finally, the proposed commercial project of Holt-Lunsford on the Mulligan's tract within the District continues to progress. After further discussion of engineering matters, upon unanimous vote, the Board approved the report as presented.

16. The Board discussed an application to the Texas Commission on Environmental Quality for authorization to use surplus construction funds and approval of a change in project scope. Ms. Parks reported the application has not yet been submitted, as the Board intends to further consider allocation and use of construction funds.

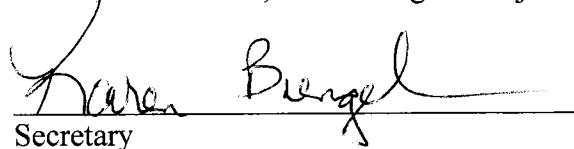
17. The Board considered matters related to the NHCRWA and the most recent meeting of the Authority's board.

18. The Board briefly discussed the recent AWBD conference, noting that helpful information had been received.

19. The Board discussed pending business, including provision of utility service to the recently-annexed tract owned by Kismet & Fate. The property must be platted if it is not already, and the necessary water/sewer line extensions must be designed and constructed. Ms. Parks will contact the landowner to communicate this information and recommend that he contact the District's engineer to discuss design and construction of public facilities. Ms. Parks noted that the landowner had previously been informed of the District's intention to reimburse construction and engineering costs expended by the landowner for facilities to be conveyed to the District.

20. The Board discussed additional pending business, including actions by Reid Road MUD No. 2 concerning unauthorized discharges by its customer Sunny Sky, and Sunny Sky's lawsuit against No. 2. Attorneys for ProLogis had made public information requests of both the District and Reid Road MUD No. 2, but had later withdrawn the requests. Mr. Montgomery reported that Sunny Sky had installed a holding tank and a pH analyzer, which appear to be preventing unauthorized discharges into No. 2's sewage collection facilities.

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 19, 2024**.

The subject of the meeting is to consider and act on the following:

1. Consideration of wastewater treatment plant matters, including:
  - a. Operations and maintenance report; authorize repairs, maintenance, and other appropriate actions
  - b. Bookkeeper's report and payment of bills; amendment of operating budget, as necessary
  - c. Engineer's report; preparation of plans, advertising for bids, award of contracts, approval of pay requests and change orders; proposal for inspection services
  - d. Renewal and restatement of Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Agreement
  - e. Constable's patrol report
  - f. Presentation of public comments
2. Public Comment
3. Approve minutes of meetings held April 17 and May 15, 2024
4. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; consider taxpayer appeals; authorize litigation or termination of service as necessary for collection of delinquent taxes; approve installment payment agreements
5. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds; amendment of operating budget, as necessary
6. Review annual ethics letter and update by Investment Officer
7. Operator's report; review operation of District facilities and authorize repairs, maintenance, and other appropriate actions; consider customer appeals; approve termination of service to delinquent accounts; repair of foundation at administration building
8. Annual Critical Load Submission
9. Report regarding District parks; authorize repairs and maintenance as needed
10. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders; capital improvement plan and funding of projects, including projects for waterline rehabilitation and replacement and sewer line rehabilitation
11. Status of Application to Texas Commission on Environmental Quality for Use of Surplus Construction Funds and Change in Project Scope

12. Status of requests for service inside and outside of District; authorize appropriate action, including request(s) for utility commitment
13. Status of Out of District Service Agreement with Cy-Hope Inc. for ballfields project
14. Matters related to North Harris County Regional Water Authority
15. Pending business, including report on the summer conference of the Association of Water Board Directors



*Melissa J. Parks*

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Melissa J. Parks  
Attorney for the District