

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

July 17, 2024

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, July 17, 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
Carla Christensen, Vice President
Robert Sumpter, Secretary
Karen Brengel, Treasurer and Assistant Secretary
Ed Swannie, Director

and the following absent:

None.

Also present were Mr. John Taylor and Mr. Jared Martin, District operators; Ms. Erin Garcia, District bookkeeper; Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; Mr. Mason Mueller, District engineer; Sergeant T. Westmoreland of the Harris County Precinct 4 Constable’s office; Ms. Robin Goin, tax assessor-collector for the District; Mr. Robert Garcia of Champions Hydro-Lawn; 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. John Taylor of Municipal Operations & Consulting, LLC (“MOC”) introduced himself and stated he would be MOC’s representative for the District going forward, as John Montgomery was no longer at the company. At today’s meeting, however, Mr. Jared Martin presented the joint sewage treatment plant operations report. There were no excursions at the plant this month, and it operated at 42% of permitted capacity. The Board then discussed with Mr. Martin and Mr. Mueller the status of the odor mitigation project. Testing and start up is underway, and an issue was found with communication between the electrical panel and the blowers. The engineer and operator will have additional information at the next meeting. Mr. Martin then discussed performance of the plant during Hurricane Beryl, noting the operators had staff on hand for six days. The generator provided power at the plant for about three days, and the operators used a portable generator at the lift station to keep it pumped down. All in all, the facilities maintained performance during and after the storm. After further 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. 1453 payable to Arias Tree Service in the amount of \$550, which was not listed on the report. She

reviewed a budget comparison report for the first three months of the fiscal year ending March 31, 2025. The Board postponed until next month its consideration of amendment of the 2025 budget to increase the disc filter upgrade portion of the major maintenance/repair expenditure. After further discussion of bookkeeping matters, upon motion by Director Christensen, seconded by Director Swannie, the Board voted unanimously to approve the report as presented, and authorized release of the checks listed thereon plus check No. 1453.

3. Mr. Toldan approached the Board to present the audit of the joint plant for the fiscal year ended March 31, 2024. He noted the auditors provided an unmodified opinion and proceeded to review the report with the boards. After discussion, the Board unanimously approved the audit.

4. Mason Mueller presented the attached joint plant engineer's report. Mobilization of PLD Construction LLC for the wastewater treatment plant outfall project had been delayed by weather. The engineer expects the contractor to mobilize later this month.

Mr. Mueller presented and recommended payment of pay estimate No. 7 of \$26,600 from JTR Constructors Inc. for the odor mitigation project. The Board further discussed the information on this subject mentioned during the operator's report, and thereafter, the Board unanimously approved payment of the pay estimate. Mr. Mueller then discussed renewal of the District's waste discharge permit. The engineers have published the required notices in connection with permit renewal and will be submitting publication affidavits to the Texas Commission on Environmental Quality. It is expected that the final permit will be received soon after submission of the affidavits. After further discussion of the engineer's report, upon unanimous vote, the Board approved the report as presented.

5. Regarding renewal and restatement of the joint wastewater treatment plant agreement, Mr. Roach and Mr. Handal reported that on behalf of Reid Road No. 2 they had met and reviewed the document. They will communicate with Reid Road No. 2's operator on the subject and then send any comments or questions to Ms. Parks. The districts continue operating under the existing agreement on a month-to-month basis until the new agreement is finalized and executed.

6. Sergeant Westmoreland addressed the boards concerning law enforcement patrol within the districts. He reviewed a written report on activities that had occurred in June.

7. 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.

8. The Board opened the floor for public comments. No comments were offered. The Board then reviewed the minutes of its meeting held June 19, 2024. Upon motion by Director Brengel, seconded by Director Swannie, the Board approved the minutes as presented.

9. The Board reviewed an interlocal agreement with Harris County for law enforcement patrol within the District by the Harris County Constable Precinct 4 office from October 1, 2024 until September 30, 2025. The monthly cost for patrol will increase to \$14,478.

The Board noted it will consider amendment of the District's operating budget to account for this increase when the District's 2024 maintenance tax rate is set. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously accepted the new patrol contract.

10. Robin Goin presented the tax assessor-collector's report, copy attached. Through June 30, the District's 2023 taxes were 98.497% collected, leaving \$26,622.88 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 \$90,164.17. Ms. Goin then briefly reviewed delinquent accounts, including those subject to installment payment agreements. Thereafter, upon motion by Director Brengel, seconded by Director Sumpter, the Board unanimously approved the tax assessor-collector's report as presented and authorized release of the disbursements listed thereon.

11. Erin Garcia presented the bookkeeper's report, copy attached. She reviewed the debt service and capital projects fund accounts. The bookkeeper stated she will communicate with the engineer and attorney about an additional break-down of construction and engineering costs originally programmed for funding projects with proceeds of the District's Series 2015 bonds. Ms. Garcia then presented checks written for payment of current bills and reviewed activity and ending balances in all accounts. She also presented check No. 2041, which was not listed on the report, payable to Smith, Murdaugh, Little & Bonham in the amount of \$6,071.50 for general legal fees. Next, Ms. Garcia reviewed a budget comparison report reflecting activity during the first three months of the fiscal year ending March 31, 2025. She discussed the monthly investment report and confirmed that upon maturity of three certificates of deposit, new certificates were purchased, all with interest rates in excess of 5%. After further discussion, upon motion by Director Swannie, seconded by Director Brengel, the Board unanimously approved the bookkeeper's report as presented and authorized release of the checks listed thereon as well as check No. 2041.

12. The attorney confirmed that her office would accomplish the necessary annual continuing disclosure filing for the District's outstanding bonds.

13. John Taylor presented the operator's report, copy attached. Water accountability for the month was 101%. Mr. Taylor reviewed customer billing and collections data and presented five closed delinquent accounts eligible for write-off and sending to collections in the amount of \$1,027.79. He next submitted a list of accounts subject to termination of utility service for delinquency. The Board discussed handling these accounts this month, given the ongoing effects of the recent hurricane, including among other things unreliable mail service. After discussion, the Board unanimously agreed to dispense with water terminations this month. The Board asked Mr. Taylor about the status of the Woodard-Williams account, and after review of account records, Mr. Taylor confirmed this customer continues to make the extra monthly payment she agreed to. The Board also requested identification of the account outstanding in the amount of some \$41,000. Mr. Taylor confirmed the account was an apartment complex located near the District's lift station.

The Board discussed with Mr. Taylor the construction activity it had observed at the A3 Glass Fabricators property. It appears the company is pouring a driveway. The directors

would like the company to install screens at the storm sewer drains and requested the operator contact the County precinct maintenance office and ask it to address this matter with the company.

Mr. Taylor described operation of District facilities during Hurricane Beryl. Director Cieslewitz reported that Ms. Chris Arispe had checked on the condition of the District's administration building and called him to let him know it had fared well. The Board expressed appreciation for the extra work by the operators during and after the hurricane. After further discussion of operating matters, upon unanimous vote, the Board approved the report as presented.

14. Brian Toldan reentered the meeting and presented the District's audit for the fiscal year ended March 31, 2024. He reported that for this report, the accountants had also provided an unmodified opinion. Mr. Toldan completed review of the audit, noting the District has a 19-month operating reserve at fiscal year end, and that sales tax revenues had increased from those recorded in the previous fiscal year. After further discussion, the Board unanimously approved the audit subject to further review and comment, and authorized its timely filing with all appropriate entities.

15. The attorney briefly reviewed the District's existing investment policy with the Board and after discussion, the Board unanimously adopted the attached Resolution affirming its review of the policy and a list of brokers/dealers.

16. Robert Garcia of Champions Hydro-Lawn addressed the Board to present the monthly parks report, copy attached. He first reported that Mr. Erik Scott is no longer with the company and that Mr. Garcia will now be working behalf of the District. Mr. Garcia proceeded to review the report and noted the most recent inspection of facilities was completed today. No problems were observed. The Board asked Mr. Garcia to check on what appeared to be a tree that had fallen over, possibly due to the recent hurricane, and Mr. Garcia agreed to do so. After further discussion, the Board unanimously approved Mr. Garcia's report.

17. Mason Mueller presented the engineer's report, copy attached. Regarding discussions earlier in the meeting about expenditure of Series 2015 bond proceeds, Mr. Mueller will update his summary of engineering fees paid so that it also addresses construction costs paid.

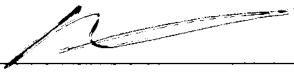
Mr. Mueller reported on progress of emergency repairs by C&C Water Services LLC at the District's water well No. 2 and noted the contractor had completed its work. To that end, Mr. Taylor reported that bacteriological test results had come back passing, and the well was ready to be put back on line. Mr. Mueller next reported that the preconstruction meeting was held on June 24 for the North Harris County Regional Water Authority's (NHCRWA) project 31A facilities. Mr. Mueller will seek details from the contractor on the timing for construction of this project. He next reported that the motor control center contractor had obtained the cabinets and should install them by the end of the month.

Mr. Mueller reported on the status of various projects requesting utility service from the District. There was no update on the out-of-District Cy-Hope Ballfields project. For the commercial project of Holt-Lunsford on the Mulligan's tract within the District, the engineers were awaiting design of off-site utilities from the developer's engineer. Finally, Mr. Mueller reported

that his office had received a request for a utility commitment for a proposed Sichuan Pepper Express restaurant to be developed in the District at the location of the former Whataburger. Mr. Mueller stated that the District has adequate water and sewer capacity to serve the project and recommended issuance of a commitment letter. After further discussion, the Board authorized the attorneys to prepare the letter based on the engineer's recommendation. After further discussion of engineering matters, upon unanimous vote, the Board approved the report as presented.

18. The Board considered matters related to the NHCRWA and the most recent meeting of the Authority's board. Further, Accurate Meter & Supply, a contractor for the NHCRWA, had contacted the District's operators concerning a planned upgrade of the District's well meters in advance of NHCRWA provision of surface water. This is necessary so that the well meters will be compatible with Accurate's Beacon meters. Accurate had provided contact information for project manager Atlas Design Services. The NHCRWA will have this work performed at no cost to the District. Mr. Taylor stated that Accurate Meter is a reputable company.

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, July 17, 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. Audit Report for Wastewater Treatment Plant for fiscal year ended 3/31/24
 - d. Engineer's report; preparation of plans, advertising for bids, award of contracts, approval of pay requests and change orders; proposal for inspection services
 - e. Renewal and restatement of Wastewater Treatment Facilities and Drainage Facilities Construction and Financing Agreement
 - f. Constable's patrol report
 - g. Presentation of public comments
2. Public Comment
3. Approve minutes of meeting held June 19, 2024
4. Law enforcement agreement for patrol in 2024-2025
5. 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
6. 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; allocation of Series 2015 bond proceeds
7. Audit Report for fiscal year ended 3/31/2024; Resolution Affirming Review of Investment Policy, Strategies and Objectives; Review of investments for compliance with Senate Bill 253 (Texas Government Code, Chapter 2270); Texas Tax Code §26.18 and Texas Gov't Code §2051.202 submission upon finalization of audit
8. Authorize annual Continuing Disclosure filing
9. 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
10. Report regarding District parks; authorize repairs and maintenance as needed
11. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders

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. Capital improvements plan and funding of projects including waterline rehabilitation and replacement, and sewer line rehabilitation; select date for special meeting to further consider projects and funding
15. Status of Application to Texas Commission on Environmental Quality for Use of Surplus Construction Funds and Change in Project Scope
16. Matters related to North Harris County Regional Water Authority, including upgrade of District well meters
17. Pending business



Melissa J. Parks

Melissa J. Parks
Attorney for the District