

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

December 18, 2024

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, December 18, 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, District operator; Mr. Mason Mueller, District engineer; Sergeant A. Martinez and Corporal A. Hernandez 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; Ms. Chris Arispe, District resident; a quorum of the Board of Directors of Reid Road MUD No. 2 (“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. Taylor presented the joint sewage treatment plant operations report. The plant operated at 42% of permitted capacity during the month, and there were no violations of the waste discharge permit. Mr. Taylor distributed a summary of ongoing mercury sampling. He reported a higher reading on a single grab sample but noted it did not result in a permit violation. Finally, Mr. Taylor reported the operators are replacing a bad bearing in the drum screen at the plant. After further discussion, upon motion by Director Swannie, seconded by Director Sumpter, the Board approved the operator’s report as presented.

2. Mr. Mueller briefly reported on engineering matters, noting there were no issues to bring before the Board at this time.

3. The Board discussed renewal and restatement of the joint wastewater treatment plant agreement (“Plant Agreement”). Ms. Parks reported that as discussed by both boards last month, the Plant Agreement had been finalized to provide for a term expiring January 31, 2027. After discussion, upon motion by Director Sumpter, seconded by Director Swannie, the Board voted unanimously to approve the Plant Agreement and authorized execution of same by the proper District officers.

4. Sergeant Martinez and Corporal Hernandez addressed the boards concerning law enforcement patrol within the districts. Sergeant Martinez reported he will be working in another district but had enjoyed his time working with the board members. The boards likewise noted they had greatly enjoyed working with him. Corporal Hernandez then reviewed a written report on patrol activities in November.

5. The Board discussed the joint plant bookkeeper’s report, copy attached. The directors reviewed and approved checks prepared for payment of current bills, followed by review of a budget comparison report for the first eight months of the fiscal year ending March 31, 2025. After further discussion, upon motion by Director Sumpter, seconded by Director Christensen, the Board voted unanimously to approve the bookkeeper’s report and authorized release of the checks listed thereon.

6. No public comments were offered in the joint meeting of the District and No. 2. The Board and consultants of No. 2 then exited the meeting.

7. The attorney confirmed that her office would timely submit the annual eminent domain report required of the District under state law. The District did not exercise condemnation powers during 2024.

8. The Board considered the attached Order rescinding meeting places outside the District and designating additional out-of-District meeting places. Ms. Parks requested Board adoption of this Order to formally designate a new suite on another floor at the attorneys' offices as an additional District meeting place. After discussion, upon unanimous vote, the Board adopted the attached Order.

9. The Board considered public comments, but none were offered. The Board then reviewed the minutes of its meeting held November 20, 2024. Upon motion by Director Christensen, seconded by Director Sumpter, the Board approved the minutes as presented.

10. Robin Goin presented the tax assessor-collector's report, copy attached. Through November 30, the District's 2023 taxes were 99.311% collected, and the 2024 taxes were 6.281% collected. Ms. Goin reviewed checks for payment of current bills and noted that upon their release, the balance in the tax account would stand at \$11,720.82. Thereafter, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the report as presented and authorized release of the disbursements listed thereon.

11. The Board reviewed the bookkeeper's report, copy attached, and the checks prepared for payment of current operating bills. The Board reviewed activity and ending balances in the District's debt service, capital projects, and general fund accounts, as well as a budget comparison report reflecting operating activity during the first eight months of the fiscal year ending March 31, 2025. The Board also reviewed the monthly investment report. After further discussion of bookkeeping matters, upon unanimous vote, the Board approved the report and authorized release of the checks listed thereon.

12. Robert Garcia of Champions Hydro-Lawn distributed the monthly parks report, copy attached. The most recent inspection of District facilities was completed on December 12, and all facilities were in good shape. Thereafter, the Board unanimously approved Mr. Garcia's report.

13. John Taylor presented the operator's report, copy attached. Water accountability for the month was 99%, and there were 16 vacant accounts out of the District's total of 1,608 connections.

Mr. Taylor reported that the operator's charges of \$55,416.58 for work performed in September, 2024 to repair a District water line on Bobcat Drive damaged by the North Harris County Regional Water Authority's (NHCRWA) contractor has now been invoiced to that contractor. Mr. Taylor next reported on information from C&C Water Services LLC after its follow-up survey of the District's well No. 3 at Water Plant No. 2. There is no structural damage present; therefore, it will not be necessary to install a liner. However, C&C has recommended new pumping equipment. Mr. Taylor recommended that before authorizing the suggested work, the Board authorize him to communicate with C&C for more details about the pumping equipment, as it had been working fine prior to the failure of the ground storage tank.

Mr. Taylor reviewed customer billing and collections data, and he submitted a list of accounts subject to termination of utility service for delinquency. These customers had been given written notification of the pending termination, and Mr. Taylor reported the operators have received no appeals from any customers; further, no customers were present at the Board meeting to contest their bills. After discussion, upon unanimous vote, the Board authorized termination of service to all remaining delinquent accounts in accordance with the District's Rate Order, but directed that the terminations be deferred until after the Christmas and New Year holidays.

Mr. Taylor requested Board execution of a form authorizing himself and three additional employees of Municipal Operations & Consulting to complete and submit Discharge Monitoring Reports to the Texas Commission on Environmental Quality (TCEQ). Finally, the Board directed that the operators send a notice by regular mail to all District customers with information about the garbage collection schedule over the Christmas and New Year holidays. After further discussion, upon motion duly made, seconded, and

unanimously carried, the Board approved the operator's report as presented, authorized execution of the DMR form, deferred the date of service terminations for account delinquencies, and approved the mail-out of the holiday garbage collection schedule.

14. The Board considered pending business and was addressed by Ms. Chris Arispe. Ms. Arispe presented executed contracts from two entities for use of the District's administration building in 2025, and accompanying payments for same. The Board appreciated receipt of the contracts and will forward the payments to the District's bookkeeper.

15. Mason Mueller presented the engineer's report, copy attached. The Board agreed to table awarding a contract to SKE Construction LLC for the Phase 1 water line rehabilitation project. This contractor has submitted a proposal through the Texas Government Statewide Purchasing Cooperative known as BuyBoard. The Board noted it does not intend to award a contract to SKE until the TCEQ has granted the District's request for a change in project scope and use of surplus construction funds.

Mr. Mueller addressed recovery efforts after failure of the ground storage tank at Water Plant No. 2. Since the previous meeting, the TCEQ granted emergency authorization to the District to proceed with a negotiated bid for the recovery project. The District's engineers had solicited a bid from B5 Construction Co., Inc. to install the ground storage tank; replace yard piping, valves, storm sewer piping, and inlets; and, as necessary, install a water treatment device and all appurtenances. The bid also included performing electrical modifications as necessary, and for pilot testing and preliminary engineering for the proposed water treatment device. The engineer recommend award to B5 Construction for this recovery project for \$2,192,633. Mr. Mueller reported that the amount bid by B5, plus the work proposed by STP Services to supply and install new breakers and starters for the booster pumps and well motor and other electrical components, amount to less than the engineers' construction estimate the Board approved last month. After discussion, upon motion duly made, seconded, and unanimously carried, the Board agreed with the engineer's recommendation and authorized award of the recovery project to B5 Construction. The Board further authorized Director Cieslewitz to execute this contract outside of a meeting, as well as the contract with STP Services for its work described above, as approved last month.

Mr. Mueller briefly addressed the status of construction of the NHCRWA's Project 31A facilities, in relation to the District's Plant No. 2 recovery project. He has informed the Authority's project engineers of the District's preference that the Authority perform the work it agreed to, rather than possibly ask the District to. If necessary, the Board would not object to the District itself making the connection of the Authority's transmission line to the District's ground storage tank.

Mr. Mueller reported on the status of various projects requesting utility service from the District. The Cy-Hope Ballfields representative had recently contacted Mr. Mueller and Ms. Parks to request service. Mr. Mueller noted the engineers had recently received the plans and will review them, and Ms. Parks noted that Cy-Hope had not yet signed the agreement for service outside the District. Finally, Mr. Mueller reported that Reid Road No. 2 has decided against constructing the water line extension required of it by the City in connection with No. 2's annexation of and service to the P&N tract. After further discussion of engineering matters, the Board voted unanimously to accept the report.

16. The Board briefly considered matters related to the NHCRWA. A town hall meeting had been conducted on November 21 for districts located in the precinct of Authority Director Melissa Rowell. Director Brengel reported on her attendance at this meeting on behalf of the District.

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

Secretary