

## **REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1**

### **Minutes of Meeting of Board of Directors**

**March 19, 2025**

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, March 19, 2025, 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

and the following absent:

Ed Swannie, Director.

Also present were Mr. John Taylor, District operator; Mr. Mason Mueller, District engineer; Ms. Robin Goin, tax assessor-collector for the District; Ms. Tina Soto, District bookkeeper; Mr. Robert Garcia of Champions Hydro-Lawn; Lieutenant Curry and Deputy Castillo of the Harris County Precinct 4 Constable’s office; 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. John Taylor presented the joint sewage treatment plant operations report. The plant operated at 43% of permitted capacity during the month, and there were no permit violations. The operators have installed the new filter cloths, and Mr. Taylor described other repairs and maintenance found necessary that were addressed during this task. The filters should be replaced again in five years. Mr. Taylor reported that new controllers have been purchased for the ultraviolet disinfection system. The operators intend to install the new controllers and have the programming rewritten before the end of this month. Finally, Mr. Taylor stated he will bring a proposal next month for work needed at the metal framing and valve at the bar screen. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the operator’s report.

2. Ms. Soto presented the joint plant bookkeeper’s report, copy attached. She reviewed checks presented for payment of current bills in the amount of \$158,203.48. She next reviewed a budget comparison reflecting 11 months of activity during the fiscal year ending March 31, 2025. Ms. Soto presented and reviewed a proposed budget for the 2026 fiscal year and requested Board adoption at this time. After review and discussion, upon motion by Director Christensen, seconded by Director Brengel, the Board unanimously approved the bookkeeper’s report as presented, authorized release of the checks listed thereon, and adopted the attached

Resolution adopting the budget for the sewage treatment plant for the fiscal year ending March 31, 2026.

3. It was confirmed that under the terms of its previous engagement, McCall Gibson Swedlund Barfoot Ellis, PLLC, would audit the books and records for the joint plant for the fiscal year ended March 31, 2025. The fee for the audit was estimated between \$5,250 and \$6,250. The Board acknowledged receipt of this information and noted no objections.

4. Mr. Mueller reported to the Board on engineering matters. He noted that the one-year inspection of odor mitigation facilities will be conducted in May, 2025. The District has received no odor complaints since these facilities were installed.

5. Lieutenant Curry addressed the boards and introduced Deputy Joseph Castillo. Deputy Castillo will be patrolling during the nighttime in the districts. Thereafter, Lieutenant Curry discussed law enforcement patrol within the districts during the month and reviewed a written report on activities in February, 2025.

6. The Board discussed an interlocal agreement with Harris County for participation in the County's Wastewater Surveillance Program. Harris County has provided a draft agreement which is now under review by Ms. Parks and Mr. Roach. After discussion, the Board agreed to approve the current form of the agreement subject to attorney review.

7. The Board opened the floor for public comments, but none were offered. The Board and consultants of No. 2 then exited the meeting.

8. The Board opened the floor for public comments at the District's meeting, and none were offered. The Board then considered the minutes of its meeting held February 19, 2025. After discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the minutes as presented.

9. Robin Goin presented the tax assessor-collector's report, copy attached. Through February 28, the District's 2024 taxes were 95.968% 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 \$131,718.35. Ms. Goin also distributed a report from the delinquent tax collection attorneys. Finally, she described a request received from a church for waiver of \$51.96 in penalties and interest on the delinquent 2024 taxes of a deceased parishioner. Ms. Goin described the circumstances under which the request was made, noting they involved probate of the taxpayer's will by her executor, the church's pastor. After discussion, the Board unanimously authorized the requested waiver. After further discussion of the tax assessor-collector's report, upon unanimous vote, the Board approved the report as presented and authorized release of the disbursements listed thereon.

10. Tina Soto presented the bookkeeper's report, copy attached. She reviewed activity and ending balances in all accounts and presented checks written for payment of current bills. She then reviewed a budget comparison report reflecting 11 months of activity during the current fiscal year. She presented an updated draft operating budget for the fiscal year ending

March 31, 2026 and requested Board review and adoption of same. If any amendments are necessary, they can be made at a future meeting. Ms. Soto then reviewed the District's investment report for the month. After further review and discussion of bookkeeper's report and the proposed operating budget, upon unanimous vote, the Board approved the report as presented, authorized release of the checks listed thereon, and adopted the attached Resolution adopting the 2026 operating budget.

11. The Board discussed an audit of the District's books and records for the fiscal year ending March 31, 2025. It was confirmed that pursuant to its previous engagement, McCall Gibson will prepare this audit for a fee estimated to be between \$17,000 and \$19,000.

12. Robert Garcia presented the monthly parks report, copy attached. The District's detention and drainage facilities and parks are in good shape, and Mr. Garcia reported that Champions Hydro-Lawn had repaired leaks in the irrigation system near the well station at Water Plant No. 2. The leaks were caused by tree roots growing into the line. Mr. Garcia reported that the charge for these repairs had come in less than the not-to-exceed amount approved by the Board. Mr. Garcia next reported that a contractor working for the North Harris County Regional Water Authority (NHCRWA) had broken a three-inch irrigation line and some backflow prevention devices serving Penny Park. He will bring a repair proposal to the Board's next meeting. Finally, Mr. Garcia presented and reviewed with the Board the annual maintenance budget, copy attached, for Champions Hydro-Lawn's work at the District's Park on the Bend. A line item had been added for mowing and hand work at this park and adjustments made to the number of times the park is mowed during the year. Upon review, the Board noted that the adjusted budget amount is a bit less than the expense for this work in the District's 2026 operating budget. After further discussion, upon unanimous vote, the Board approved Mr. Garcia's report as well as the updated maintenance budget.

13. John Taylor presented the operator's report, copy attached. Water accountability for the month was 97%, and there are now 20 vacant accounts in the District. The Board reviewed the water usage report. It noted that usage at the Jason's Deli had again declined and appeared to be back to typical levels. Mr. Taylor reported on planned work at the District's administrative building to be performed by Lupe Montoya, and he noted that he had requested a quote from Mr. Montoya for removal of dead pine trees. Regarding work needed on the building's foundation, it was reported that the foundation repair company has changed names and has a new representative. This representative will soon contact Mr. Taylor about visiting the building and updating the previous proposal. Mr. Taylor next reported that the insurance claim for a damaged well turbine motor had recently been approved for payment by the District's property insurance carrier. The Board appreciated that this matter was being resolved.

Mr. Taylor reviewed customer billing and collections data and submitted a list of delinquent accounts subject to termination of utility service. These customers had been given written notification of the pending termination, and Mr. Taylor reported the operators have received no appeals from any customers. No customers were present at the Board meeting to contest their bills. After further discussion, upon unanimous vote, the Board authorized termination of service to all remaining delinquent accounts in accordance with the District's Rate Order.

Mr. Taylor reported on communications received from the operator for White Oak Bend MUD (WOB) concerning that district's issues with a District interconnect invoice. WOB had paid the invoice in February, 2024 but had since raised objections after being billed for additional usage. Mr. Taylor described the response from WOB and noted his opinion that it did not support WOB's objections. After review and discussion, the Board agreed. The Board requested that the operator and attorney discuss this matter further so that the attorney has the information necessary to draft a letter to the attorney for WOB requesting resolution of the matter and indicating that penalties will begin accruing on the outstanding amount. Mr. Taylor also confirmed he had sent the proposal for replacement of the interconnect meter to the WOB operator, but it had not been addressed in the response. The Board requested that Ms. Parks also address this in her letter to the WOB attorney. After further discussion of operating matters, upon motion by Director Sumpter, seconded by Director Christensen, the Board unanimously approved the operator's report as presented.

14. The Board discussed recovery efforts since the failure of the ground storage tank (GST) at Water Plant No. 2. Mr. Mueller presented and reviewed Technical Memorandum-Addendum 1 on the subject describing existing conditions, observations, and recommendations. A geotechnical investigation of the GST foundation is ongoing, and when the results are available, any necessary action items will be included in the scope of work under the contract with B5 Construction Co. Inc. Mr. Mueller also reviewed alternative approaches concerning a water treatment unit to be added at the plant. He noted that the treatment unit design is based on the well's water production, not on how much methane is detected. He described the dimensions of the unit and noted that more information would be obtained about the cost of its ongoing operation and maintenance. After detailed discussion, Mr. Mueller noted the engineers recommend that the contracted work continue as previously authorized by the Board, and that the Board now authorize moving forward with installation of the proposed methane stripper treatment unit as described in the construction submittal of WETS LLC. Mr. Mueller then presented alternative pay application options: one with, and another without, a payment for submittal of the water treatment unit. The engineers recommended selection of option 1 in the amount of \$124,070. The Board discussed this information in detail and indicated its intention to take all possible actions to prevent such a failure from occurring ever again. To that end, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously agreed to proceed with alternative 1 for installation of the proposed treatment unit, and to proceed with pay application option 1 for \$124,070.

15. Mason Mueller presented the engineer's report, copy attached. He reported that the engineers continue work on updating the District's Emergency Preparedness Plan. He next reported that his office is coordinating with the District's attorneys concerning the contract with SKE Construction, LLC for the Phase 1 water line rehabilitation project. Upon completion of the contract documents, Mr. Mueller will communicate with the contractor about the project schedule.

Mr. Mueller further addressed recovery efforts at Water Plant No. 2. The electrical contractor is working on replacing parts at the motor control center. The engineers issued notice to proceed to B5 Construction Co. Inc. on March 4, 2025 for the recovery work. Mr. Mueller discussed the condition of the GST foundation and noted that if found not to be in usable condition, this could delay completion of the project and impact coordination with the NHCRWA's Project 31A. To that end, Mr. Mueller described his further communications with the Authority's project

engineer about of timing of its construction. Ms. Parks also described her communications with the Authority's attorney but noted she had not yet written a letter to the Authority given Mr. Mueller's conversations with the project engineers. Mr. Mueller and Ms. Parks will continue communicating on the subject and seek further Board direction as more information becomes available.

Mr. Mueller discussed the status of various projects requesting utility service from the District. He reported that Holt Lunsford was not able to obtain a private water line easement from one landowner, but it did obtain a license which will allow installation of the line. Holt Lunsford is also seeking this landowner's signature acknowledging the developer's encroachment into a District easement crossing the landowner's property. Landowner signoff is not required but would be beneficial to have. Regarding the Cy-Hope Ballfields project, it was apparent the project was under way, but Mr. Taylor stated it appears the contractor is not working according to the plans approved by the District's engineer. Mr. Mueller and Mr. Taylor will converse on the matter and coordinate communication with Cy-Hope's contractor. After further discussion of engineering matters, upon unanimous vote, the Board approved the engineer's monthly report.

16. The Board discussed pending business, including matters related to the NHCRWA and a brief general discussion of the status of the litigation between Reid Road No. 2 and Sunny Sky.

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

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Secretary