

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

August 20, 2025

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, August 20, 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. Erin Garcia, District bookkeeper; Mr. Robert Garcia of Champions Hydro-Lawn; Lieutenant L. Barcenas and Captain F. Rodriguez of the Harris County Precinct 4 Constable’s office; Dr. Truong and his attorney Danielle Lam; 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. Lieutenant Barcenas addressed the Boards and discussed law enforcement patrol within the districts during the month. He reviewed a written report on activities during July and then introduced the Board to Captain Rodriguez, the first female Captain in the Harris County Precinct 4 Constable’s office. Captain Rodriguez addressed the Boards about the work of the deputy constables in and around the District.

2. John Taylor presented the joint sewage treatment plant operations report. During the month the plant had operated at 41% of permitted capacity, and there were no permit violations. Mr. Taylor reported having met with Dr. Truong at his office after last month’s meeting. The doctor showed Mr. Taylor the collection system that had been installed and provided manifests of the trucks that remove the contents of the holding tank. Mr. Taylor stated that the issue with recent high mercury readings is that the manhole that is sampled collects discharges from various tenants in the building where Dr. Truong’s practice is located. The District needs to confirm who in this building is discharging the mercury and to that end, the District will contact the building landlord and either require the landlord to make this determination or allow the District’s operator to do so at the landlord’s cost.

Mr. Taylor reported that during the month, work had been completed at the fences near the outfall from the plant and along the rear easements of adjacent homes. The awning should be installed over the odor control facilities next week, and the operators are obtaining proposals

from at least three contractors to repaint the piping at the plant. 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.

3. Ms. Garcia presented the joint plant bookkeeper's report, copy attached. She reviewed checks prepared for payment of current bills in the amount of \$74,114.98 and then reviewed a budget comparison report reflecting activity during the first four months of the fiscal year ending March 31, 2026. The Board noted that the invoice from the sledge hauler was much higher this month and the amount paid to this vendor for the year-to-date was already approaching the amount budgeted for the entire year. The Board asked the bookkeeper and District operator to check on this and report back to the Board. Finally, Ms. Garcia reviewed the plant's expense distribution and invoicing for July 2025. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the bookkeeper's report as presented.

4. Mr. Mueller reported to the Board on engineering matters. Regarding the one-year warranty inspection of the odor mitigation facilities discussed over the past few months, Mr. Mueller reported that the construction contractor is installing a repaired air conditioning unit.

5. The Board opened the floor for public comments, and Dr. Truong addressed the boards. He recounted the amounts of surcharges he has paid to the District since 2018. He also described the closed collection system he installed in 2023 that has contained any mercury from his office. To that end, it is his position that any mercury discharged since 2023 is not attributable to him. Dr. Truong and Ms. Lam also stated that it is the landlord who passes the District's surcharge along to Dr. Truong for payment. As noted earlier in the meeting, the District will contact the building landlord to discuss identifying the discharger of the mercury. Dr. Truong and his attorney provided contact information for the building landlord. The operator and/or attorney agreed going forward to inform Ms. Lam when the District assesses surcharges on the landlord's monthly bill. No further public comments were offered. The board and consultants of No. 2 then exited the meeting.

6. The Board opened the floor for public comments at the District's meeting, and none were offered.

7. Erin Garcia 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. Ms. Garcia reviewed the monthly investment report and noted that some certificates of deposit had recently been renewed at reasonable interest rates. Ms. Garcia presented and reviewed a budget comparison report reflecting activity during the first four months of the fiscal year ending March 31, 2026. After further review and discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the bookkeeper's report as presented.

8. The Board discussed amendment of the District's Code of Ethics. Ms. Parks presented and discussed proposed amendments of Article II, Policy for Compensation and Travel Expenses. The Board reviewed and discussed these amendments and offered minor additions. Thereafter, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted

unanimously to approve and adopt the attached Order Establishing Code of Ethics, Policies, and Procedures for District Financial Affairs and Management, amended as discussed above.

9. The Board considered approval of the minutes of its meeting held July 16, 2025. After discussion, upon motion by Director Christensen, seconded by Director Brengel, the Board approved the minutes as presented.

10. Robin Goin presented the tax assessor-collector's report, copy attached. Through July 31, the District's 2024 taxes were 98.443% collected. Ms. Goin reviewed checks for payment of current bills and noted the remaining balance in the tax account upon their release. The Board requested that Ms. Goin ask the District's delinquent tax collection attorney about letters demanding payment of outstanding accounts, with termination of water service as a consequence of non-payment. Ms. Goin stated she would contact the attorneys as requested. After further discussion of tax matters, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the tax assessor-collector's report and authorized release of the checks listed thereon.

11. Robert Garcia presented the monthly parks report, copy attached. He reviewed the report with the Board, indicating that the ponds and parks are in good shape. He reported that Champions Hydro-Lawn's park maintenance personnel will review the condition of benches, playground equipment, and other park facilities after hurricane season. When the evaluation is complete, Mr. Garcia will bring a list of items needing attention for Board review and approval. After further discussion, upon unanimous vote, the Board approved Mr. Garcia's report.

12. John Taylor presented the operator's report, copy attached. Water accountability for the month was 99%, and there are 15 vacant accounts in the District. During the month, the District provided 1,800,000 gallons of water to Reid Road No. 2. Mr. Taylor reported on activity during the month, noting five leaks had been repaired. He then discussed account delinquencies and submitted a list of 80 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. There were three closed delinquent accounts the operator recommended for write-off in the total amount of \$264.63. After discussion, the Board agreed with the operator's recommendation and authorized the action.

Mr. Taylor reviewed proposals for purchase and installation of a new air conditioner at the administration building. The lowest responsible proposal was received from T&M Mechanical Services Inc., and after discussion, a majority of the Board, with Director Sumpter abstaining, voted in favor of proceeding with T&M's proposal. Mr. Taylor next reported on repair of the building foundation. American Leak Detection of Houston had repaired the damaged sanitary sewer line under the building slab, so now Groundworks can begin work on the foundation. Mr. Taylor reported Groundworks had sent an updated quote with a \$1,000 reduction in price. Mr. Taylor expects Groundworks to begin working on August 25. He noted that upon completion of the foundation repair, the District will need to address issues with the building's flooring. Mr. Taylor also reported that Mr. Montoya had removed the three dead pine trees as

discussed last month. Finally regarding the building, Mr. Taylor obtained a quote of \$375 per calendar quarter for pest control. The Board unanimously agreed to proceed under this quote.

Mr. Taylor reported that repair of pavement at Early Springs Drive has been completed. This was necessary in connection with a water line repair at that location. The Board wondered if 18-wheelers driving in the subdivision are causing these line breaks, but Mr. Taylor attributed the breaks to heat and shifting ground. Finally, Mr. Taylor reported that the vendor engaged last month to evaluate issues involving heavy metals at the sewage treatment plant had conducted the necessary testing. The test results should be available by next month's meeting. After further discussion of operating matters, upon motion by Director Sumpter, seconded by Director Christensen, the Board unanimously approved the report as presented.

13. The Board considered an annual review of the District's Rate Order and Fee Schedule. The operators will compare amounts charged by the District to its customers, and by the operator to the District, and confirm whether the District's charges result in net revenue to the District. If action is necessary, the operator and attorney will so advise the Board.

14. Mason Mueller presented the engineer's report, copy attached. He reviewed the report and confirmed the engineers submitted the District's updated Emergency Preparedness Plan to the Texas Commission on Environmental Quality. During the month the engineers assisted with permitting repair of pavement at Golden Meadow Drive after the operators had completed a water line repair there.

Mr. Mueller reported on the water line rehabilitation project, noting contractor SKE Construction LLC needs a letter from the District to submit to the Harris County Right-of-Way Department. Such letter is for the purpose of confirming that the Board approved the District's contract with SKE and that Cobb Fendley is the District's engineer for the project. Mr. Mueller expects SKE will be able to mobilize and begin work in September. The Board discussed providing advance notice about the project to District residents in areas where SKE will be working, and directing them to remove any property of theirs from District easements to allow the contractor to do the work.

Mr. Mueller reported on recovery efforts at Water Plant No. 2. There was no pay estimate from B5 Construction Co. Inc. this month. The engineers have requested redline as-built plans to provide to the insurance carrier. The ground storage tank is complete and the scrubber is set, but start-up was delayed because a valve would not close. Mr. Mueller believes the valve may have been damaged during the failure of the ground storage tank and will communicate this to the insurance adjustor. The Board further discussed the scrubber and asked if testing for methane levels will be performed regularly. Mr. Mueller stated he believes the scrubber detects methane but does not provide a reading; he will confirm. The Board also wanted to know the location of the detection point(s) and the frequency of detection.

Mr. Mueller reported on the status of work at the motor control center at Water Plant No. 1. There was no pay estimate this month from contractor CF McDonald Electric. The final walk through was performed July 22 and the contractor has addressed the punch list items. However, the unit will not be placed in use until the North Harris County Regional Water Authority's Project 31A work is completed at the plant by its contractor. With further regard to Project 31A, Mr. Mueller may find out when surface water will be provided to the District at the

upcoming progress call with the project engineer. Mr. Mueller will also bring to the attention of the Authority the outstanding amount sought by the District to cover its costs for repair of the water line damaged last year by the Authority's contractor. Mr. Taylor briefly reported on additional operating activity that will become necessary once the District begins receiving surface water. After further discussion of engineering matters, upon unanimous vote, the Board approved engineer's report as presented and authorized the engineer and attorney to prepare the necessary letter for SKE to submit to Harris County.

15. The Board briefly discussed development of property in and near the District. The directors commented on the progress of the Cy-Hope Ballfield, to which the District will provide utility service.

16. The Board reviewed the report on ratings of the District's insurance carriers. The directors noted all ratings appeared satisfactory and that going forward, they would like to review these ratings annually at mid-year.

17. The Board discussed pending business, including matters related to the ground storage tank failure at Water Plant No. 2. Following up discussions last month about a homeowner's request for the District to reimburse him for his insurance deductible, Ms. Parks reported that the District's insurance attorney had written to the homeowner indicating that the District cannot honor this request.

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

Secretary