

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

Minutes of Meeting of Board of Directors

September 17, 2025

The Board of Directors ("Board") of Reid Road Municipal Utility District No. 1 ("District") met on Wednesday, September 17, 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; Corporal L. Barcenas of the Harris County Precinct 4 Constable's office; Ms. Debbie Shelton of Masterson Advisors LLC; 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. Corporal Barcenas addressed the Boards and discussed law enforcement patrol within the districts during the month. He reviewed a written report on activities during August and encouraged Board members to call in suspicious vehicles that they may observe.

2. John Taylor presented the joint sewage treatment plant operations report. During the month the plant operated at 43% of permitted capacity, and there were no permit violations. Mr. Taylor reported that the awning over the odor control facilities has now been installed. He then presented three proposals for repainting piping at the plant. The proposals came in at widely different amounts and for varying tasks. Mr. Taylor recommended that the Board authorize him to solicit two additional proposals based on the more extensive work described in the quote from Preventive Services L.P., and the Board agreed.

Mr. Taylor reported that the wastewater treatment plant will be affected when the District begins purchasing surface water from the North Harris County Regional Water Authority (NHCRWA). The surface water will affect the alkalinity at the plant, and to that end, Mr. Taylor recommended installation of a tank to store and inject magnesium hydroxide into the plant. He estimated a monthly cost for the chemical at \$4,800. The engineers for the districts noted that the districts will likely not convert to surface water at the same time and they recommended waiting to add this chemical at the plant until both districts have converted. After further discussion, upon unanimous vote, the Board agreed with this recommendation and also unanimously approved

installation of the tank and addition of the chemical upon conversion of both districts to surface water.

Mr. Taylor reported on a notice received from Harris County Pollution Control concerning an apparent violation due to a high E. coli reading. The operators had sampled on the same day as the County and found no elevated E. coli reading. The operators provided this information to the County, which then withdrew the alleged violation. In the future, the operators will meet the County's representative when a sample is drawn. After further discussion of operating matters, upon motion by Director Christensen, seconded by Director Brengel, the Board unanimously approved the operator's report as presented.

3. Mr. Mueller reported to the Board on engineering matters. He confirmed that the odor mitigation construction contractor had completed contract warranty work and is in the process of providing the District's operators with login access to the control panel. Mr. Mueller next briefly addressed the future addition of magnesium hydroxide at the plant and stated he would meet with the District's operator on site to discuss location for the tank. They will also consider upcoming capital improvement projects. Upon motion by Director Christensen, seconded by Director Sumpter, the Board approved the engineer's report.

4. Ms. Garcia presented the joint plant bookkeeper's report, copy attached. She reviewed checks prepared for payment of current bills in the amount of \$139,351.97, including two invoices for sludge hauling. To that end, John Taylor reported he had contacted sludge hauler K3 BMI about its recent invoicing of the District. This contractor agreed that imposition of a fuel surcharge had been in error and will correct the invoice. Mr. Taylor also reported that it is not uncommon to experience higher sludge hauling costs in the summer, and he expects them to go down during fall and winter. The Board asked the bookkeeper and operator to check on these charges again at fiscal year end. Next, Ms. Garcia reviewed a budget comparison report reflecting activity during the first five months of the fiscal year ending March 31, 2026. Regarding a possible amendment of the plant budget to address the monthly cost of chemicals and installation of a tank, the Board agreed that these expenses could be added to the budget for the fiscal year ending in 2027. Finally, Ms. Garcia reviewed the plant's expense distribution and invoicing for August 2025. After further discussion, upon unanimous vote, the Board approved the bookkeeper's report as presented.

5. The Board opened the floor for public comments. No public comments were offered. The board and consultants of No. 2 then exited the meeting.

6. The Board opened the floor for public comments in the District's meeting, and none were offered. The Board then considered the minutes of the Board's meeting held August 20, 2025. The Board requested that a misspelled word be corrected in paragraph 3. After further discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously approved the minutes as corrected.

7. Robin Goin presented the tax assessor-collector's report, copy attached. Through August 31, the District's 2024 taxes were 98.507% collected. Ms. Goin reviewed checks for payment of current bills and noted the remaining balance in the tax account upon their release. She next presented a report from Perdue, Brandon, Fielder, Collins & Mott LLP listing accounts subject to water termination for property tax delinquencies. Upon review of this report, the Board

agreed that such letters demanding payment should be sent and at next month's meeting they will review a list of remaining unpaid accounts to authorize terminations. After further discussion of tax matters, upon motion by Director Christensen, seconded by Director Brengel and unanimously carried, the Board approved the tax assessor-collector's report and authorized release of the checks listed thereon.

8. District financial advisor Debbie Shelton addressed the Board and presented a cash flow analysis and recommendation with respect to the District's 2025 tax rate. The Board reviewed these materials which among other information reflected a 2025 taxable value of \$464,236,941, including the owners' opinion of uncertified value. It was noted that while the Idlewild Apartments are expected to become tax exempt, this does not change the financial advisor's debt service tax recommendation. However, the Board will take this loss of value into account when considering the maintenance tax rate. The Board then reviewed the 2025 voter approval tax rate worksheet. The Board considered the attached Resolution Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, Calling Public Hearing on 2025 Tax Rate, and Authorizing Tax Assessor-Collector to Prepare and Publish Notice of Public Hearing. After discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board found that the District is a developed district and adopted the attached Resolution so stating. The Board also authorized publication of a notice of a public hearing at which the Board will consider adoption of a total 2025 tax rate of \$0.39098 per \$100 assessed valuation, consisting of a debt service tax of \$0.15 and a maintenance and operations tax of \$0.24098. The attorney noted that after considering a proposed tax rate, the District must update the internet posting required by Tax Code §26.18 and Government Code §2051.202. The Board unanimously authorized the tax assessor-collector to post the required materials in compliance with these laws.

9. Erin Garcia presented the bookkeeper's monthly report, copy attached. She reviewed activity and ending balances in all accounts and presented checks written for payment of current bills. She noted significant payments, such as the debt service payment due October 1 and pay estimates No. 11 and 12 to CF McDonald Electric Inc. for the motor control center replacement project. She also noted the check payable to B-5 Construction Co. Inc. in connection with the Water Plant No. 2 recovery project and requested Board approval of check No. 2429 for \$7,250 payable to the accountants for completion of the 2025 audit. Ms. Garcia reviewed the monthly investment report and then presented and reviewed a budget comparison report reflecting activity during the first five months of the fiscal year ending March 31, 2026. Expenditures are higher than budgeted, but it is all due to the water plant recovery project, for which the Board expects payment of a large amount from property insurance proceeds. After further review and discussion, upon motion by Director Christensen, seconded by Director Brengel and unanimously carried, the Board approved the bookkeeper's report as presented, including check No. 2429.

10. Robert Garcia presented the monthly parks report, copy attached. He reviewed the report with the Board and indicated that the ponds and parks are in good shape. There is a bare spot in Harvest Bend Park likely due to nutria and feeding of ducks, but Mr. Garcia will wait until spring to address this. The Board requested that Champions Hydro-Lawn secure the bench at Park on the Bend. After further discussion, upon unanimous vote, the Board approved Mr. Garcia's report.

11. John Taylor presented the operator's report, copy attached. Water accountability for the month was 93%. Mr. Taylor noted that road repair crews engaged by the NHCRWA had used District water despite not being authorized to do so, and the operators had terminated this activity. There are 1,508 residential connections and 15 vacant accounts in the District.

Mr. Taylor discussed account delinquencies and submitted a list of 102 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, and thereafter, upon unanimous vote, the Board authorized termination of service to all remaining delinquent accounts in accordance with the District's Rate Order. There was one closed delinquent account the operator recommended for write-off in the total amount of \$113.28. After discussion, the Board agreed with the operator's recommendation and authorized the action.

Mr. Taylor reported on work at the District's administration building, noting that new air conditioners for the meeting room and the building will soon be installed. The foundation work is complete, and Mr. Taylor described changes in the building after completion of this work, including to the ceiling and sheetrock. The Board authorized the operator to obtain pricing proposals for various improvements, focusing on sheetrock cracks, painting, and flooring. The operator may also obtain a proposal for replacement of existing lighting with dimmable LED fixtures.

Mr. Taylor reported there had been a recent story on a local television station concerning one of the homeowners affected by the failure of the District's ground storage tank. He next reported that the operators have been contacted by representatives of the Cy-Hope Ballfields about a tap and requesting reduction in some of the costs. Mr. Taylor and Ms. Parks had conferred on this during the month, and the attorneys had forwarded an invoice to Cy-Hope for the capacity charge under the District's service agreement. In addition, the operators calculated the tap fee in accordance with such agreement, and no further reductions would be made. After further discussion of operating matters, upon motion by Director Christensen, seconded by Director Brengel and unanimously carried, the Board approved the report as presented.

12. Mason Mueller presented the engineer's monthly report, copy attached. In connection with submission last month of the updated Emergency Preparedness Plan to the Texas Commission on Environmental Quality, Mr. Mueller reported that the TCEQ had follow up questions which the engineers will address. Concerning the necessary repair of pavement at Golden Meadow Drive after the operators completed a water line repair, Mr. Mueller understands that since the proper permitting has now been received, the operators will repair the pavement in October.

Mr. Mueller reported on the water line rehabilitation project under the contract with SKE, noting that one preconstruction meeting had been held and another would be scheduled in the near future. To that end, Mr. Mueller presented a draft letter for use in providing advance notice about the project to District residents in areas where SKE will be working. Ms. Parks will work with Mr. Mueller to complete and distribute such notices.

Mr. Mueller reported on recovery efforts at Water Plant No. 2. Startup of the plant was again delayed but is expected to occur next Monday. The non-closing valve discussed last month has since been repaired. Mr. Mueller then discussed methane monitoring and detection and noted that there are detectors at four locations. He will obtain additional information about methane detection for discussion next month. The contractor installing the methane scrubber recommends adjustment of the onsite piping and had estimated a cost between \$20,000 and \$30,000. Mr. Mueller did not object to the recommendation and will present a change order upon receipt from the contractor.

Mr. Mueller presented and briefly described CF McDonald Electric's pay estimate No. 11, and No. 12 and final, for work at the motor control center at Water Plant No. 1. He recommended Board approval of same. He presented and discussed B-5's pay estimate No. 5 as mentioned earlier during the bookkeeper's report and also recommended its payment. Mr. Mueller then reported on discussions with the Authority's Project 31A engineers and the availability of surface water as early as October 22, 2025. As discussed earlier during the wastewater plant joint meeting, surface water will not be available to Reid Road MUD No. 2 until a later date. Both districts are on a singular pressure plane. Mr. Mueller will keep the Board apprised about surface water and Project 31A. Mr. Mueller then reported that at the latest Project 31A progress call he had mentioned the damage last year to a District water line by an Authority contractor. The construction manager for the project indicated that its subcontractor ReyTec should pay, and it doesn't plan to close out the contract until the District has received payment. Ms. Parks noted she will now demand payment directly from that subcontractor. After further discussion of engineering matters, upon motion by Director Christensen, seconded by Director Sumpter, the Board voted unanimously to approve the report as presented and authorized District payment of the three contract estimates, as recommended by Mr. Mueller.

13. The Board discussed matters related to the NHCRWA, including the latest meeting of the Authority's board and an expected eventual rate increase. That board had also discussed the looming disincentive fee if conversion mandates are not met; however, at the meeting it took no action in that regard.

14. The Board discussed pending business. John Taylor reported that he was contacted by the landlord for Dr. Truong after the Board's last meeting. Mr. Taylor plans to meet with the landlord. Mr. Taylor also reported that a smart meter has been installed at the District's water interconnection with White Oak Bend MUD.

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, September 17, 2025**.

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

1. Consideration of wastewater treatment plant matters, including:
  - a. Constable's patrol report
  - b. Operations and maintenance report; authorize repairs, maintenance, and other actions; unauthorized mercury discharges and communications regarding same
  - c. Bookkeeper's report and payment of bills
  - d. Engineer's report; preparation of plans, advertising for bids, award of contracts, approval of pay requests and change orders
  - e. Presentation of public comments
2. Public Comment
3. Approve minutes of meeting held August 20, 2025
4. Tax assessor-collector's report; review invoices & authorize payment; review taxable values, exemptions; consider delinquencies, including installment payment agreements; authorize litigation or termination of service to collect delinquent taxes
5. 2025 Tax Rate recommendation & Truth in Taxation calculations; Resolution (1) Finding District to be Low Tax Rate, Developed, Developing, or Developed District in a Declared Disaster Area, (2) Calling Public Hearing on 2025 Tax Rate and (3) Authorizing Tax Assessor-Collector to Prepare & Publish Notice of Public Hearing
6. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
7. Report regarding District parks; authorize repairs, maintenance and improvements, as necessary and appropriate
8. Operator's report: operation of District facilities; authorize repairs, maintenance, and other appropriate actions; customer appeals; termination of service to open delinquent accounts
9. District administration building: status of foundation repair
10. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders; Ground Storage Tank failure at Water Plant No. 2 and recovery efforts; methane testing; requests for service inside and outside of District
11. Development of property in District; authorize actions as appropriate
12. Matters related to North Harris County Regional Water Authority, including recovery of water line repair costs

13. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071, et seq.
14. Reconvene in Open Meeting to act on matters considered in Executive Session
15. Pending business



*Melissa J. Parks*

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Melissa J. Parks  
Attorney for the District