

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

November 19, 2025

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, November 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
Ed Swannie, Director

and the following absent:

None.

Also present were Sergeant Curry of the Harris County Precinct 4 Constable’s office; John Taylor, Operator; Mason Mueller, Engineer; Erin Garcia, Bookkeeper; Robin Goin, Tax Assessor-Collector; Ms. Christie Leighton of Best Trash; Mr. Al Kosley and Mr. Al Williams representing Cy-Hope Inc.; 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.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. Sergeant Curry addressed the Boards and discussed law enforcement patrol within the districts. He reviewed a written report on activity during October, which activity he noted had been lighter than usual.

2. John Taylor presented the joint sewage treatment plant operations report. During the month the plant operated at 42% of permitted capacity, and there were no permit violations. Mr. Taylor briefly addressed mercury discharge and noted there was nothing to report on that subject this month. Mr. Taylor addressed repainting of piping at the plant and reported he had contacted three companies to solicit written competitive bids. One company had indicated the job was too large for it. As between the other companies, the low proposal was submitted by Preventive Services L.P. for \$129,500. After discussion, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board awarded the work to Preventive Services. Finally, Mr. Taylor reported that booster pump No. 1 had been pulled, but the operators had not yet received a cost estimate for replacement of the bearings. After further discussion of operating matters, upon motion by Director Christensen, seconded by Director Swannie, the Board unanimously approved the operator’s report as presented.

3. Mr. Mueller presented an engineering report, copy attached. In early November he visited the sewage treatment with the District’s operator and the engineer for No. 2. They observed conditions at the plant and considered future improvements and/or capital projects. Possible projects include adding a flow splitting basin after the headworks (including RAS pumping); replacement of the UV system; and making modifications to sludge processing. Mr. Mueller reviewed a memorandum on the subject with the boards. He noted that of the two options

for sludge processing, both would eliminate the need to use a mobile belt press. The Board appreciated this preliminary information and agreed to further consider it at a future meeting.

4. Erin Garcia presented the joint plant bookkeeper's report, copy attached. She reviewed checks prepared for payment of current bills in the amount of \$101,563.90 and then reviewed a budget comparison report reflecting activity during the first seven months of the fiscal year ending March 31, 2026. She also reviewed the plant's expense distribution and invoicing for October 2025. Thereafter, upon unanimous vote, the Board approved the bookkeeper's report as presented.

5. The Boards 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 tabled until next month its consideration of the minutes of its meeting held October 15, 2025.

7. The Board opened the floor for public comments. No public comments were offered.

8. Christie Leighton of Best Trash approached the Board regarding an adjustment of the rate charged to the District for curbside garbage collection service with recycling. Under the existing contract, an automatic adjustment of the monthly rate occurs on the contract anniversary date, based on the 12-month change in the U.S. Consumer Price Index for garbage and trash collection. Ms. Leighton stated that the CPI increase is 5.2%, resulting in a new monthly rate of \$24.51 effective January 1, 2026. After discussion, upon motion by Director Christensen, seconded by Director Sumpter, the Board unanimously acknowledged its receipt and acceptance of the annual rate adjustment. The Board requested that as of January 1, 2026, the operators accordingly adjust the amount charged to District customers under the Rate Order and Fee Schedule. The Board also spoke with Ms. Leighton to ask that after collection, Best Trash employees replace containers in the location they found them. The Board also requested that the workers not block access to storm sewer drains with collection containers.

9. The Board considered renewal of District insurance coverage, as its current policies will expire in mid-December. Ms. Parks presented a summary comparing proposals for renewal of coverage. There was a proposal from carrier Texas Municipal League for property, boiler/machinery, and workers compensation coverages, since current carrier CUMIS Insurance Society did not submit a renewal proposal for such coverages. The District's agent Arthur J. Gallager Risk Management Services Inc. was able to obtain renewal proposals for the remaining coverages from last year's carriers. While the premium for coverage in 2026 was much higher than for 2025, it was noted that the replacement value of District facilities had been increased for 2026. Ms. Parks drew the Board's attention to options available to reduce the premiums by increasing the deductibles on the property and boiler/machinery coverages to \$10,000 each. Premium could further be reduced by changing the wind deductible from a flat \$10,000 to 1% per damaged item/facility. It was noted that the decision for the Board to make regarding these options was a matter of risk management. After discussion, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board agreed to accept the proposal presented by the insurance agent and also agreed to accept the options to change the deductibles as described above. This will reduce the premium for 2026 coverage by \$9,768.

10. The Board tabled review of consultant insurance policies until next month's meeting.

11. The Board discussed correspondence from Cy-Hope Inc. concerning the timing of connection of the Cy-Hope sports complex at 13002 Windfern Road to District water and sewer lines. Mr. Kosley and Mr. Williams reported they had spoken about this with District representatives. The operators indicated they will be able to accommodate activation of District service to meet Cy-Hope's schedule. Mr. Kosley and Mr. Williams expressed their great appreciation to the operators and to the Board.

12. The Board considered appointment of a person to fill the vacant director position created by the resignation of Karen Brengel. Director Swannie mentioned resident Patrick Ramirez may be interested in serving. After discussion, the Board requested Director Swannie invite Mr. Ramirez to attend the Board's meeting in January 2026.

13. The Board considered amendment of the District's Rate Order and Fee Schedule to add terms providing for a separate charge to non-taxable entity customers that did not pay the District's non-taxable entity tap fee. After review and discussion of the proposed amendments, upon motion by Director Sumpter, seconded by Director Swannie and unanimously carried, the Board adopted the attached Rate Order and Fee Schedule as so amended.

14. Robin Goin presented the tax assessor-collector's report, copy attached. Through October 31, the District's 2024 taxes were 98.757% collected, and the 2025 taxes were 0.273% collected. Ms. Goin presented checks for payment of current bills and noted the remaining balance in the tax account upon their release. After further discussion of tax matters, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board approved the tax assessor-collector's report and authorized release of the checks listed thereon.

15. 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 also presented four checks not listed on the report: No. 2490 for \$96,421 payable to Arthur J. Gallagher & Co.; No. 2491 for \$3,250 payable to Arbitrage Compliance Specialists; No. 2492 for \$8,013.77 payable to Smith, Murdaugh, Little & Bonham LLP; and No. 2493 for \$5,691.35 payable to the Texas Commission on Environmental Quality. Ms. Garcia noted that the payment to insurance agency Arthur J. Gallagher was for the entire insurance premium, and that the bookkeepers will bill Reid Road 2 for its share of premiums attributable to the sewage treatment plant. Further, check No. 2490 was now voided and replaced with a check in the amount of \$86,653.50 to pay the reduced insurance premium in light of changing the deductibles. Ms. Garcia next reviewed the monthly investment report and then presented and reviewed a budget comparison report reflecting activity during the first seven months of the fiscal year ending March 31, 2026. After further review and discussion of these materials, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the bookkeeper's report as presented, including the checks mentioned above.

16. Robert Garcia of Champions Hydro-Lawn presented the monthly parks report, copy attached. The ponds and parks had most recently been inspected on November 14, and Mr. Garcia noted there were no issues to report. A director mentioned an issue with nutria at the pond and that there is a person feeding the nutria. The Board discussed with Mr. Garcia and John Taylor methods and companies that can eradicate, move, or otherwise address this problem

at both ponds, and the Board indicated it was interested in pursuing this. After further discussion, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board approved the monthly report as presented.

17. John Taylor presented the operator's report, copy attached. Water accountability for the month was 94%, and the District supplied 900,000 gallons to Reid Road MUD No. 2. There are 1,503 residential connections and 17 vacant accounts in the District. The operators had installed one new tap during the month.

Mr. Taylor discussed account delinquencies and submitted a list of 86 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 were three closed delinquent accounts the operator recommended for write-off in the total amount of \$613.29. After discussion, the Board agreed with the operator's recommendation and authorized the action.

Mr. Taylor reported on issues that Lupe Montoya identified with irrigation at the District's administration building. These issues had since been resolved. Regarding repair or replacement of booster pump No. 2 at Water Plant No. 1, Mr. Taylor reported that repair of the pump would cost as much or more than replacement. After discussion, the Board authorized replacement of the pump for \$22,927. After further discussion of operating matters, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board approved the report as presented.

18. The Board discussed proposed work at the District's administration building. Mr. Taylor reported on pricing he had obtained for various work, including sheetrock and flooring. There was much information to digest, and the Board agreed it would be helpful if Mr. Taylor would prepare a scope of work and specifications so that a meaningful comparison could be made in January.

19. Mr. Taylor addressed the Board to request approval of amendments to the operator's contract with the District. The amendments would increase labor rates but would not affect amounts charged to District customers. Tasks covered under the basic services charge will remain the same. The proposed amendment includes an automatic annual CPI-based rate increase beginning November 1, 2026 and only upon 30 days advance written notice. The operators had last requested a rate increase in August, 2023. After discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the requested amendments.

20. Mason Mueller presented the engineer's monthly report, copy attached. Mr. Mueller reported that by letter dated November 7, 2025, the TCEQ confirmed its acceptance of the District's updated Emergency Preparedness Plan. Mr. Mueller then reiterated the proposed projects and improvements identified after a visit to the sewage treatment plant, noting that none of the proposed work constitutes an emergency. The Board discussed plans for payment for such projects and indicated a desire for a comprehensive capital improvements plan. The Board discussed the remaining voted bond authorization and noted an election may be necessary in May 2027 to request District voters to authorize issuance of additional bonds.

Mr. Mueller reported on recovery efforts at Water Plant No. 2. The plant is back in operation and the ground storage tank has been filled. Bacteriological testing is underway, and once good test results are received, the plant can be put online. Mr. Mueller presented pay estimate No. 6 in the amount of \$323,835.43 from B-5 Construction Co. Inc. for this project and recommended Board approval for payment.

The water line rehabilitation project is underway by contractor SKE. Mr. Mueller will bring to the next meeting information on SKE's work schedule and percentage of work completed to date. The Board noted it may use proceeds from future bonds to pay expenditures under this contract that are in excess of currently available surplus capital projects funds. To that end, Mr. Mueller will make sure the contractor's pay estimates are in a format and contain information required by TCEQ rules such that they could be included for financing in a future bond application.

Regarding North Harris County Regional Water Authority's Project 31A, Mr. Mueller reported that the surface water transmission line contractor believes surface water may be available beginning this month, but Mr. Mueller does not share this belief. Mr. Mueller also mentioned that he is working with the Authority on its administration of this contract with regard to site restoration at the District's Water Plant No. 2, in connection with the Authority's contractor having created issues at the site. After further discussion of engineering matters, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the report as presented and also approved payment of B-5's pay estimate.

21. The Board discussed development of property in the District. Ms. Parks presented and reviewed a reimbursement agreement with HL Fund III Jones Road LP for its project at the former Mulligan's tract. The developer had requested slight revisions which Ms. Parks had made, as they were not detrimental to the District. In addition, Ms. Parks had added provisions concerning developer compliance with various sections of the Texas Government Code and requirements of the Texas Attorney General. Such provisions are necessary if the District in fact reimburses this developer using bond proceeds rather than currently available funds. After further discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the reimbursement agreement and authorized its execution. Mason Mueller reported that this developer had recently requested an irrigation meter, and he was in the process of discussing a location and other logistics in connection therewith.

22. The Board briefly discussed matters related to the NHCRWA.

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

Secretary