**REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1**
Minutes of Meeting of Board of Directors
May 20, 2026

The Board of Directors ("Board") of Reid Road Municipal Utility District No. 1 ("District") met on Wednesday, May 20, 2026, 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
Caylen Reese, Director

and the following absent:

None.

Also present were Sergeant Curry of the Harris County Precinct 4 Constable's office; Mr. John Taylor, District operator; Ms. Rachel Broom and Ms. Emma Staes of Cobb Fendley & Associates, Inc.; Ms. Robin Goin, District tax assessor-collector; Ms. Erin Garcia, District bookkeeper; Mr. Robert Garcia of Ethoscapes; 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. Sergeant Curry addressed the Boards and discussed law enforcement patrol within the districts. He reviewed a written report of activity during April. He then briefly addressed matters discussed by Constable Mark Herman at the April 21 town hall meeting, including pricing options for patrol contracts becoming effective in October.

2. John Taylor presented the joint sewage treatment plant operations report, copy attached. The plant had operated at 45% of permitted capacity and without permit violations. Mr. Taylor addressed mercury readings and described the frequency of sampling at the lift station, plant, and the dentist's office. Of late, detection of mercury has been scant or absent, and the operator recommended reducing sampling frequency. After discussion, the Board unanimously agreed. Mr. Taylor next reported that a seal had failed at the waste pump behind the digestor, and the operators had obtained a $3,495 quote to replace it. The Board agreed to proceed with replacement and also agreed the operators should check the condition of the seal at the other pump. Mr. Taylor reported issues with the non-potable pump and stated that next month he would bring pricing for a retrofit or replacement.

Mr. Taylor reported on recent communication from K3 BMI about imposition of a fuel surcharge for belt press service. The surcharge would vary based on the price per gallon of diesel as determined by the United States Energy Information Administration. The surcharge was intended to be temporary and would be imposed for as long as the average price for diesel was $4.01 or higher. Mr. Taylor and Ms. Parks stated that the District had had a contract with K3 BMI, but it had since expired. Given this, the Board stated the District could not avoid the surcharge unless it used a different vendor. After discussion, the Board agreed to continue using K3 BMI despite the surcharge but would revisit the surcharge after 90 days. After further discussion of operating matters, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board approved the operator's report as presented.

3. Erin Garcia presented the joint plant bookkeeper's report, copy attached, and reviewed checks presented for payment of current bills. She presented a budget comparison report reflecting activity during the first month of the fiscal year ending March 31, 2027. After review and discussion, upon unanimous vote, the Board approved the report as presented.

4. Rachel Broom presented the attached joint plant engineer's report. She introduced Emma Staes to the boards and stated Emma would attend in Rachel's absence next month. Ms. Broom continued with review of the report and stated that on May 18 the engineers had filed a submittal with the Texas Commission on Environmental Quality (TCEQ) for the ultraviolet (UV) replacement project. The engineers continued to coordinate with several suppliers of UV system equipment in connection with design of the project. Ms. Broom next presented an updated table showing this project, along with proposed additional projects at the plant, which she had updated since the Board's May 13 special meeting. Both boards intend to discuss funding the projects with their financial advisors, but they also maintained their preference to undertake projects No. 1, 2, and 5, as recommended by the engineers for both districts. After discussion, the Board voted unanimously to approve the engineer's report.

5. The Boards opened the floor for public comments. None were offered. The board and consultants of No. 2 exited the meeting.

6. The Board opened the floor for public comments. None were offered. The Board then considered the minutes of its meetings held April 15 and May 13, 2026. Upon motion by Director Reese, seconded by Director Cieslewitz and unanimously carried, the Board approved the April 15 minutes as presented but tabled the May minutes until next month.

7. The Board discussed matters related to the cancelled May 2, 2026 election of District directors. Ms. Parks presented Certificates of Election for signature by the Board President indicating that, without any opposing candidates having run for office, Directors Cieslewitz and Sumpter are declared elected to serve additional four-year terms on the Board. These directors executed statements of elected official, letters of qualification, and oaths of office. The Board accepted these documents, and these directors participated in the remainder of the meeting. The Board also acknowledged that these directors had completed a conflicts disclosure questionnaire, as had Directors Christensen, Swannie, and Reese. It was noted that no conflicts were disclosed, and all appeared to be in order. Ms. Parks stated the attorneys would ensure that the information required to be posted online about the District reflects the new terms of office. The Board agreed there was no need to conduct an election of District officers.

8. Robin Goin presented the tax assessor-collector's report, a copy of which is attached. Through April 30, the District's 2025 taxes were 97.085% collected. Ms. Goin presented disbursements from the tax account for payment of current bills, noting a remaining cash balance of $115,840.70 upon release. Next, Ms. Goin reported that the Harris Central Appraisal District had indicated the 2026 preliminary taxable value for the District was $482,583,263. When the 2025 value of taxable personal property is included, Ms. Goin estimated a total taxable value near $500,000,000. She also noted that Texas law now provides for a $125,000 exemption for business personal property, a great increase from the former $2,500 exemption. 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 as presented and authorized release of the payments listed thereon.

9. Erin Garcia presented the bookkeeper's report, a copy of which is attached. She reviewed the report and presented checks written on the general fund account for payment of current bills. She drew the Board's attention to check No. 2649 payable to SKE Construction LLC in the amount of $539,016.49 for pay estimate No. 6 and final on the water line rehabilitation project. As noted at previous meetings, the Board may choose to reimburse the general fund account for expenditures on this project using proceeds from a future bond issue. Upon release of all checks presented today, the balance in the general fund account will stand at $4,194,802.37. Ms. Garcia then reviewed the monthly investment report, followed by a budget comparison report reflecting activity for the first month of the fiscal year ending March 31, 2027. After further review and discussion of the bookkeeper's report, upon motion by Director Sumpter, seconded by Director Swannie and unanimously carried, the Board approved the report as presented and authorized release of the checks listed thereon.

10. The Board considered a proposed Amended and Restated Agreement for Bookkeeping Services with Myrtle Cruz Inc. Ms. Garcia described the new rates and stated that the last adjustment had been made four years ago. After discussion, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board approved the new agreement.

11. Robert Garcia presented a monthly report on District parks, copy attached. He reviewed the report and reported he had installed a lock at the electrical panel for the irrigation system for Penny Park. He also reported that the new plaques had been installed. He then presented and reviewed a proposal for carpentry repairs and restoration at District parks. After discussion, upon motion by Director Sumpter, seconded by Director Swannie and unanimously carried, the Board accepted the proposal and authorized the work. Mr. Garcia presented a second proposal for pressure washing and staining of bridges and deck areas for $14,000. After review, the Board agreed it was not interested in doing this work at this time. Further regarding District parks, Mr. Garcia stated that Ethoscapes could perform a certified safety inspection of the playground equipment at a cost not to exceed $800. After discussion, the Board authorized such inspection.

The Board discussed installation of signs near the ponds in Harvest Bend Park to prohibit feeding of wildlife. Robert Garcia presented proposed wording for placement of 18" x 24" signs at the north and south ends of Park on the Bend and Harvest Bend Park for a cost of $3,848. After discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved purchase of the signs after slight revision of the wording. With general regard to rules of conduct in the park, Ms. Parks reported that the attorneys had reviewed the District's files for any rules previously adopted. She reported that none were found but stated she would be happy to prepare some. She brought examples of park rules adopted by other clients of her firm. After discussion, the Board declined to adopt park rules at this time.

There was discussion regarding a request reported by Director Sumpter from one District homeowner for installation of nets at the existing basketball poles and backboards in the park. After detailed discussion, the Board agreed to consider such action if it received a formal request from the homeowner's association and would only take action under a written agreement that addresses liability.

Mr. Garcia approached the Board to discuss imposition by Ethoscapes of a 3% fuel surcharge. The company had found such a surcharge necessary due to the increased cost of gas and diesel in connection with the United States' conflict with Iran. All mowing and maintenance that Ethoscapes performs at District facilities involves the use of fuel, and so the company intends to impose a surcharge for as long as the average weekly retail cost of gas and diesel in Houston is at or above $3.50/gallon. Such average cost is determined weekly by the United States Energy Information Administration. Ethoscapes will monitor this average cost and adjust or remove the surcharge as market conditions change. The Board discussed the surcharge and agreed it appeared reasonable. After discussion, the Board agreed to pay the surcharge, with the understanding that Ethoscapes did not intend it to be permanent. The Board asked Ms. Parks to place an item on its meeting agenda in four months to discuss the status of the surcharge. After further discussion, upon unanimous vote, the Board approved the parks report.

12. John Taylor presented the operator's report, copy attached. Water accountability for the month was 95%. There are 1,503 residential connections and 16 vacant accounts in the District. The Board reviewed a list of April water usage by commercial customers, noting the highest user had again been Quality X Tree Co.

Mr. Taylor discussed conversion to the use of surface water in the District, noting that the transition had occurred and the operators had yet to receive any customer complaints. Mr. Taylor credited the smooth transition to planning ahead and also thanked Rachel Broom for her help. Mr. Taylor then reported that he had been served with a subpoena in connection with a lawsuit filed by a homeowner next to the failed ground storage tank at Water Plant No. 2. The subpoena was for a request of documents, which Mr. Taylor has since provided. Mr. Taylor discussed proposals he had obtained for repainting the stripes in the parking lot of the administration building. Upon review, the Board authorized proceeding with the proposal for the work from Wright Solutions. Mr. Taylor stated he was still working on obtaining bids for flooring, and that he and the attorney are working through the contract with Today's Integration Inc. for a building alarm.

Mr. Taylor reported on his further communication with Accurate Meter/Beacon about replacement of 864 meters with failed LCD screens. The company had agreed to slightly reduce the price for the replacement meters and would provide a new 20-year warranty for them. After discussion, upon motion by Director Sumpter, seconded by Director Swannie and unanimously carried, the Board authorized purchase and installation of the replacement meters. Mr. Taylor stated that the operators would bill for installation on a time and materials basis and would install up to 100 meters per month.

The Board discussed the growing pile of trash such as fencing and yard debris in the easement behind Park on the Bend. Mr. Garcia stated he had presented a $650 proposal for this work at a previous meeting, which the Board now unanimously accepted. After further discussion of the operator's report, it was unanimously approved by the Board.

13. Mr. Taylor presented and reviewed the draft 2025 Consumer Confidence Report (CCR). He noted that since the District has only now begun using surface water, the 2025 CCR did not address it. After review and discussion, the Board unanimously approved the document for distribution to District customers by the July 1 deadline. A link to the CCR will be added as a message on customer bills. The operators will also provide the CCR to the apartment complex and other multi-user accounts.

14. Rachel Broom presented the engineer's monthly report, copy attached. She addressed proposed capital projects at the joint sewage treatment plant and reported that she and the attorney will meet with the District's financial advisor to discuss available funding options.

She next addressed the existing interconnect with Emerald Forest Utility District and reported she had recently spoken with that District's engineer. She and Mr. Taylor advised that the District does not need or use this interconnect, but would not object if Emerald Forest wants to keep it in place. Ms. Broom would recommend that the interconnect be metered and limited to providing water in one direction, to Emerald Forest.

Ms. Broom reported on the status of the request of Kinder Morgan Tejas Pipeline, LLC for service and annexation of its 4.45-acre tract currently located outside District boundaries. Since the last meeting, Kinder Morgan had funded preparation of an engineering feasibility study, which the engineers had completed. Kinder Morgan has now formally requested annexation, and to that end, Ms. Broom presented a proposal to the Board for surveying and engineering services related to provision of District water and sewer service for Kinder Morgan's proposed development of a compression station on its tract. After discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board accepted the $28,100 engineering proposal, subject to District receipt of an $83,100 deposit from the developer for engineering and legal services necessary for annexation of its property.

Ms. Broom submitted and recommended Board approval and payment of pay application No. 7 from B5 Construction Co. Inc. in the amount of $17,383.10 for the Water Plant No. 2 recovery project. This unpaid pay estimate had been discovered during project closeout procedures. After discussion, the Board unanimously approved payment. Ms. Broom reported she had sent a follow up email to the insurance adjuster further justifying the fees for engineering work performed in connection with the recovery project.

Ms. Broom submitted and recommended Board approval and payment of SKE Construction LLC's pay estimate No. 6 and final of $539,016.49 for the water line rehabilitation project. She also presented change order No. 1 for additional sidewalk and site restoration work in the amount of $73,863.38. After discussion, the Board unanimously approved payment of these amounts.

Ms. Broom discussed the North Harris County Regional Water Authority's (NHCRWA or Authority) project 31A, including chloramination facilities at the District's water plant. She reported that while construction is complete, the contractor has yet to complete the punch list items. She confirmed the Authority's project engineer remains aware of the reimbursement due the District for the contractor's water line strike, and possibly for repair of additional damages at Water Plant No. 2. After further discussion, upon motion by Director Swannie, seconded by Director Reese and unanimously carried, the Board approved the engineer's report as presented.

15. There were no matters to discuss related to the NHCRWA.

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, May 20, 2026.**

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 & maintenance report; authorize repairs, maintenance, and other appropriate actions
   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; proposed capital improvements
   e. Presentation of public comments

2. Public Comment

3. Approve minutes of meetings held April 15 and May 13, 2026

4. May 2026 director election: approve certificates of election for directors declared elected; approve qualifications and accept oaths of office and statements of elected officials; director training requirements; annual conflicts disclosure questionnaires; election of officers

5. Annual Director Conflicts Disclosure Questionnaires

6. Tax assessor-collector's report; review invoices & authorize payment; review taxable values, exemptions; consider delinquencies; authorize installment payment agreements, litigation or termination of service to collect delinquent taxes

7. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds

8. Amended and Restated Agreement for Bookkeeping Services

9. Report regarding District parks, including landscape/hardscape assessment; authorize repairs/maintenance, improvements, or other actions, as appropriate; request to implement fuel surcharge

10. Review and amendment of District's park rules

11. Report on operations of District facilities; authorize repairs, maintenance, and other appropriate actions; customer appeals; termination of service to open delinquent accounts; status of conversion to use of surface water

12. District administration building; authorize action as appropriate, including for building alarm, pressure washing and replacement of flooring

13. 2025 Consumer Confidence Report

14. Engineer's report: authorize preparation of plans, advertising for bids, and/or award of contracts; approve pay requests, change orders; requests for service inside & outside of District

15. Proposed capital improvements and plan for funding same

16. Request from Kinder Morgan Tejas Pipeline LLC for annexation of tract

17. Development of property in District; authorize actions as appropriate

18. Matters related to North Harris County Regional Water Authority, including recovery of waterline & damage repair costs; conversion to use of surface water

19. Pending business, including status of District's claim under property insurance policy

Melissa J. Parks
Attorney for the District