

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1

Minutes of Meeting of Board of Directors

June 17, 2026

The Board of Directors (“Board”) of Reid Road Municipal Utility District No. 1 (“District”) met on Wednesday, June 17, 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; Mr. Jordan Thomas of K3 BMI; Ms. Emma Staes of Cobb Fendley & Associates, Inc.; Ms. Robin Goin, District tax assessor-collector; Ms. Vanessa Martinez, District bookkeeper; Mr. Robert Garcia and Master Hayden Garcia of Ethoscapes; Mr. Hunter Ferrell and Ms. Susana Zepeda of McCall Gibson Swedlund Barfoot Ellis PLLC; District resident Mr. Preston Mendez; 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 during May. He reviewed a written report of activity and mentioned apprehension of a vehicle used in a theft of copper from a facility on Windfern Forest Drive in the vicinity of the District. The thief has not yet been caught, but the vehicle used in the crime was found the day after the theft.

2. John Taylor presented the joint sewage treatment plant operations report, copy attached. The plant operated at 45% of permitted capacity and without permit violations. Over 14 inches of rain were recorded at the plant during May, and rainfall during June will be even higher. There were two individual exceedances of E. coli levels during heavy rains, but this will not result in a permit violation for the month. The operators believe the high levels were caused by leaking pneumatic actuators, which the operators have since had pulled for rebuilding. Mr. Taylor presented a quote of \$5,970 from Rage Industrial Solutions for replacing airdrops at the plant. At its June 24 inspection at the plant, the Texas Commission on Environmental Quality (TCEQ) had noted the necessity for this work. After discussion, upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board accepted the proposal.

Mr. Taylor introduced Jordan Thomas of K3 BMI to the Board, who was present to discuss the company's imposition of a fuel surcharge for provision of belt press service. He confirmed that the surcharge is temporary and would only be imposed while the average price for diesel was \$4.01 per gallon or higher. He also noted that rising fuel prices are affecting the cost of the oil-based polymer used in the pressing process. The Board appreciated the information provided by Mr. Thomas and also thanked his company for providing the meal at this meeting. After further discussion of operating matters, upon unanimous vote, the Board approved the monthly report as presented.

3. Vanessa Martinez 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 two months of the fiscal year ending March 31, 2027. After review and discussion, the Board voted unanimously to approve the report as presented.

4. Mr. Ferrell approached the boards to present an audit of the joint plant for the fiscal year ended March 31, 2026. He reported the auditors had provided an unmodified opinion and proceeded to review the report with the boards. After discussion, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board approved the audit in the form presented.

5. Emma Staes presented the attached joint plant engineer's report. She first addressed the status of the ultraviolet (UV) replacement project, noting the engineers continue to coordinate with several suppliers of UV system equipment in connection with design of the project. She reported that the TCEQ has approved this project. The engineers are also working through basin configurations that would allow for installation of the new equipment with the least amount of service interruption. Ms. Staes then noted that timing of future projects at the plant are continuing to be considered, and any that would not be funded with bond proceeds could be included in annual plant budgets. After discussion, the Board voted unanimously to approve the engineer's report.

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

7. The Board opened the floor for public comments. Preston Mendez addressed the Board and stated he had attended the meeting for general informational purposes. He also reported on a flickering streetlight in the neighborhood. The Board suggested he call Harris County to have that addressed, as the District does not own or maintain streetlights.

8. The Board considered the minutes of its meetings held May 13 and May 20, 2026. Upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the minutes as presented.

9. Robin Goin presented the tax assessor-collector's report, a copy of which is attached. Through May 31, the District's 2025 taxes were 97.427% collected. Ms. Goin presented disbursements from the tax account for payment of current bills, noting a remaining cash balance of \$102,436.74 upon release. After further discussion of tax matters, upon motion by Director

Christensen, seconded by Director Sumpter and unanimously carried, the Board approved the tax assessor-collector's report as presented and authorized release of the payments listed thereon.

10. Vanessa Martinez 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. 2704 payable to the Texas Comptroller which had been prepared in blank for any amounts which the District must escheat to the state. The deadline for escheatment will arise prior to next month's meeting, and the bookkeeper wanted to ensure timely payment of any amount determined to be due. Upon release of the checks listed on the report, the balance in the general fund account will stand at \$4,140,017.08. Ms. Garcia then reviewed the monthly investment report, followed by a budget comparison report reflecting activity for the first two months of the fiscal year ending March 31, 2027. After further review, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board approved the bookkeeper's report as presented and authorized release of the checks listed thereon as well as check No. 2704.

11. Ms. Parks confirmed that District investment officers Mary Jarmon and Carla Christensen had each updated their investment officer's disclosure as required annually under the Texas Public Funds Investment Act. Their completed forms confirmed that neither had any personal business relationships with individuals or entities offering to engage in investment transactions with the District.

12. Hunter Ferrell and Susana Zepeda entered the meeting and presented the District's audit for the fiscal year ended March 31, 2026. Mr. Ferrell reported that the accountants had also provided an unmodified opinion for this report. He reviewed the audit with the Board and noted that once again, the District had at least a 12-month operating reserve at fiscal year end, although the year-end fund balance was lower than last year's in connection with water plant recovery costs paid from the general fund account. He then reviewed the notes to the financial statements and the remainder of the report. After discussion, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board approved the audit subject to further review and comment, and authorized its timely filing with all appropriate entities.

13. The attorney briefly addressed the District's existing investment policy with the Board. After discussion, the Board unanimously adopted the attached Resolution affirming its review of the policy and an updated list of brokers/dealers. Further, the Board discussed the required review of the District's investments in compliance with Senate Bill 253, 85th Texas Legislature. The auditors noted no issues regarding compliance with this statute; further, the District's bookkeepers regularly review the list promulgated by the Comptroller in order to prevent violations of Senate Bill 253.

14. Robert Garcia presented a monthly report on District parks, copy attached. Mr. Garcia reviewed the report with the Board and noted that the trash pile in the easement behind Park on the Bend had been cleaned up and that "no feeding wildlife" signs had been ordered for installation at the ponds in Harvest Bend Park. Mr. Garcia also presented photographs of the existing aluminum "no motorized vehicles" signs at all three District parks. The photographs were taken to document existence of the signs in case of their vandalism or theft.

Mr. Garcia distributed a certified safety inspection of the District's playground equipment completed after last month's meeting. The Board agreed to defer discussion of the inspection results until next month. After further discussion, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board approved the parks report.

15. John Taylor presented the operator's report, copy attached. Water accountability for the month was 97%. There are 1,503 residential connections and 17 vacant accounts in the District. The Board reviewed a list of May water usage by commercial customers, noting the highest user was Windham Park Square on FM 1960 West.

Mr. Taylor reported on the condition of a booster pump at the water plant, noting that the operators were investigating the source of the intrusion of air into the pump, causing it to cavitate. He next reported on the elimination of nutria from District parks.

Mr. Taylor reviewed customer billing and collections data and submitted a list of 73 delinquent accounts subject to termination of utility service. These customers were given written notification of the pending termination, and the operators had received no appeals from any customers, nor were any customers present at the meeting to contest their bills. After discussion, the Board unanimously authorized termination of service to all remaining delinquent accounts in accordance with the District's Rate Order. Mr. Taylor then recommended write-off of three closed accounts delinquent in the total amount of \$464.57. The Board unanimously agreed with the operator's recommendation.

The Board discussed surveillance cameras in the District and noted the lack of a camera behind the sewage treatment plant. In connection with the recent theft of copper at a nearby district, the Board asked Mr. Taylor to obtain a quote from SentiForce for a new camera pedestal at the plant. Finally, Mr. Taylor is still working on obtaining bids for flooring, lighting, and sheetrock in the administration building. He will set up a meeting with a contractor and Director Sumpter to discuss proposals for these projects. After further discussion of the operator's report, the Board voted unanimously to approve it as presented.

16. The Board discussed the status of the District's Risk and Resilience Assessment prepared as required under the federal America's Water Infrastructure Act. Mr. Taylor addressed the Board in that regard and reported that the operators had updated the assessment originally prepared for the District in 2021. He noted that having monitored cameras at District facilities is beneficial in this regard, and he also noted that the District has no remote/SCADA controls at its facilities. The Board reviewed the assessment's executive summary and requested that the operators recommend ways to address several matters noted therein. After further discussion, upon motion by Director Christensen, seconded by Director Swannie and unanimously carried, the Board authorized the operators to certify to the United States Environmental Protection Agency by June 30 that the District has completed the 2026 assessment.

17. Emma Staes presented the engineer's monthly report, copy attached. She addressed proposed capital projects at the joint sewage treatment plant and reported that since the last meeting, Rachel Broom and Ms. Parks had met with the District's financial advisor to discuss available funding options. In connection with an eventual election to seek authorization to issue additional bonds, the engineers will prepare a 30-year capital improvements plan. She next

addressed the existing interconnect with Emerald Forest Utility District and reported that that district's engineer is discussing with its board any need to keep the interconnect in place.

Ms. Staes addressed applying to the Texas Water Development Board for a grant under House Bill 500 adopted by the Texas legislature in 2025. To that end, she submitted a proposal for engineering services for preparation and submission of a grant application to fund a water line replacement project within the District. Director Christensen had asked the engineers to analyze the practicality of submitting such an application, and Ms. Staes stated that based on the District's population, it was eligible to apply for a grant up to \$10,000,000. The engineer's proposed fee to prepare the application will not exceed \$10,000 billed on a time and materials basis. The Board discussed the matter and noted that while receipt of grant funds is in no way assured, the potential high payoff justified the cost to apply for the funding. Upon motion by Director Christensen, seconded by Director Sumpter and unanimously carried, the Board accepted the engineer's proposal for the grant application work.

Ms. Staes reviewed remaining items on the report, addressing the UV replacement project and extension of District water and sewer lines to serve the property owned by Kinder Morgan for which it is seeking District annexation. Kinder Morgan has submitted a deposit to pay engineering and legal costs for actions necessary to annex the property, and the engineers have begun design of the line extensions. Ms. Staes also reported on the status of communications with the insurance adjuster regarding engineering fees incurred for the water plant recovery project, and she confirmed that the water line rehabilitation project is now complete. Finally, she discussed the North Harris County Regional Water Authority's (NHCRWA or Authority) Project 31A. She confirmed that the Authority's project engineer remains aware of the reimbursement due the District for the contractor's water line strike and for repair of additional damages at Water Plant No. 2. After further discussion of the engineer's report, upon motion by Director Sumpter, seconded by Director Christensen and unanimously carried, the Board approved the report as presented.

18. The Board discussed matters related to the NHCRWA, including a new fee it is considering. Apparently, the Authority intends to charge a fee on groundwater used by a district if it exceeds 2% of the district's total water use during a year. While the District's Board understands the Authority's desire for districts to use 100% surface water, districts must remain able to exercise their wells and otherwise from time to time use groundwater. The Board also discussed its frustrations with the Authority's failure to meet conversion requirements and properly plan its funding needs. Finally, it was noted that the Authority will conduct an in-person forum on June 30 to determine how it can maximize surface water utilization while the remainder of the Authority's conversion system is under construction.

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

Secretary