REID ROAD MUNICIPAL UTILITY DISTRICT NO. 1
Minutes of Meeting of Board of Directors
July 15, 2026

The Board of Directors ("Board") of Reid Road Municipal Utility District No. 1 ("District") met on Wednesday, July 15, 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
Robert Sumpter, Secretary
Caylen Reese, Director

and the following absent:

Carla Christensen, Vice President
Ed Swannie, Director.

Also present were Captain Blackledge of the Harris County Precinct 4 Constable's office; Mr. John Taylor, District operator; Ms. Rachel Broom of Cobb Fendley & Associates, Inc.; Ms. Robin Goin, District tax assessor-collector; Ms. Erin Garcia, District bookkeeper; Mr. Robert Garcia of Ethoscapes; Ms. Christie Leighton of Best Trash; 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. Captain Blackledge addressed the Boards and discussed law enforcement patrol within the districts during June. Before reviewing the report, he stated that Sergeant Curry and other officers were currently on a call dealing with a shooting today at a Kroger in Cypress. He then reviewed the written report of activity for the month.

2. John Taylor presented the joint sewage treatment plant operations report, copy attached. The plant operated at 48% of permitted capacity and without permit violations. Rainfall at the plant during June was 7.9 inches. There was one individual exceedance of the E. coli limit during the month, but it did not result in a permit violation. Mr. Taylor mentioned issues at the lift station during the month and then reported the soft start on blower No. 4 had gone out. The operators obtained an $11,965 quote from D&D Electric Solutions LLC to install a new soft start. After discussion, upon motion by Director Sumpter, seconded by Director Reese and unanimously carried, the Board accepted the proposal.

Mr. Taylor discussed a quote he had obtained from SentriForce for installation of cameras at the sewage treatment plant site. The proposal reflected a monthly service charge of $1,890, and after further discussion, the Board agreed additional information was needed from

SentriForce before making a decision. After further discussion of operating matters, upon unanimous vote, the Board approved the monthly 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 three months of the fiscal year ending March 31, 2027. After review and discussion, the Board voted unanimously to approve the report as presented.

4. Rachel Broom presented the attached joint plant engineer's report. She discussed the ultraviolet (UV) replacement project and reported that the engineers are seeking a third supplier of UV system equipment. The equipment of the current preferred vendor will not fit in the basin, given its depth. Further regarding this project, and in connection with their hydraulic review of the plant, the engineers have determined that at peak flow, the level of waste in the clarifier would overtop the tank. That is, while the existing plant hydraulics could allow for a short-circuit, it is not the case that waste would leak from the plant. This problem is related to a few factors, including the filters used at the plant and an under-sized outfall from the plant. Ms. Broom attributed the origin of the issue to a combination of changing to treatment by UV light, using filtration, and a design miscalculation. She emphasized that it was only an issue at peak flow and noted the issue would become of consequence in connection with renewal of the waste discharge permit in approximately a year. Ms. Broom estimated that resolving these issues would add approximately $500,000 to the overall cost of work necessary at the plant. She stated that the situation is not an emergency; rather, its resolution can be planned and handled along with other upcoming projects. Ms. Broom had communicated details of the situation to the No. 2 engineer and would continue to coordinate with him on a plan going forward. After discussion, the Board voted unanimously to approve the engineer's report.

5. The boards opened the floor for public comments. Christie Leighton of Best Trash addressed the boards to comment on garbage collection within the districts. She is aware that the company's employees had sometimes been leaving items behind on Saturdays, and she is working with them to correct this problem. Ms. Leighton next stated that Best Trash would begin offering household hazardous waste collection from each residence on one day each month. Best Trash bought a Dallas company, Black Jack, that offers this service, which affords Best Trash the ability to offer the service to the districts. Ms. Leighton presented a flyer with program details and stated that if the boards are interested, she would prepare a contract amendment to add a charge of $1.50 per home per month to provide the service. The boards appreciated receiving the information and commented that perhaps they would be interested in such service twice per year. Ms. Leighton encouraged the districts to contact her if they desired more information. At this time, the board and consultants of No. 2 exited the meeting.

6. The Board opened the floor for public comments. None were offered.

7. The Board considered the minutes of its meeting held June 17, 2026. Upon motion by Director Sumpter, seconded by Director Reese and unanimously carried, the Board approved the minutes as presented.

8. The attorney reported that the District's law enforcement patrol contract would expire on September 30, 2026, and she expected the constable's office to send a proposed new contract during the month. The Board agreed to reduce patrol within the District to 65% of the deputies' working time, which despite a rate increase would result in an annual cost almost equivalent to the amount currently being paid. After discussion, upon unanimous vote, the Board authorized execution of the new patrol contract by the Board President outside of a meeting, subject to the attorney's review of same and confirmation of appropriate terms and provisions.

9. Robin Goin presented the tax assessor-collector's report, a copy of which is attached. Through June 30, the District's 2025 taxes were 97.883% collected. Ms. Goin presented disbursements from the tax account for payment of current bills, noting a remaining cash balance of $105,030.95 upon release. Finally, Ms. Goin requested an agenda item next month for presentation of a new tax assessor-collector contract, as the tax assessor had not increased its charges since 2022. After further discussion of tax matters, upon motion unanimous vote, the Board approved the tax assessor-collector's report as presented and authorized release of the payments listed thereon.

10. 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 reported that check No. 2704 payable to the Texas Comptroller for escheat of funds to the state had been completed in the amount of $7,726.03. Upon release of the checks listed on the report, the balance in the general fund account will stand at $4,116,351.74. Ms. Garcia then reviewed the monthly investment report, followed by a budget comparison report reflecting activity for the first quarter of the fiscal year ending March 31, 2027. After further discussion, upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized release of the checks listed thereon.

11. Robert Garcia presented a monthly report on District parks, copy attached. He reviewed the report with the Board and reported that as discussed last month, wooden boards had been replaced on two bridges. Brackets are being fabricated for the "no feeding wildlife" signs to be installed at the ponds in Harvest Bend Park. Further regarding the safety of playground equipment, Mr. Garcia reported that Ethoscapes' inspector is following up with the equipment manufacturers. Director Sumpter addressed the Board and reported he would get together with Mr. Garcia and the HOA mower to clarify the areas to be mowed by each entity. Director Sumpter also reported that the HOA will be repairing the basketball goals based a homeowner's request. After further discussion of the parks report, upon unanimous vote, the Board approved it as presented.

12. John Taylor presented the operator's report, copy attached. Water accountability for the month was 101%. There are 1,503 residential connections and 18 vacant accounts in the District. The Board reviewed a list of June water usage by commercial customers, noting the highest user was once again Windham Park Square on FM 1960 West.

Mr. Taylor reported on an issue with District customer the Houston Garden Center. This customer has its own well about which the District is already aware, but Mr. Taylor reported that the Garden Center's well is cross-connected into the District's distribution system, its backflow preventer was inoperable, and a fertilizer system is attached. These conditions are not allowed under the District's Rate Order, and the operators made the customer aware of the situation and required compliance. To date the customer has not complied, and as a result, the operators have terminated District service. After discussion, the Board gave its unanimous support to the operator's actions and confirmed that the customer must comply with the District's Rate Order.

Mr. Taylor reviewed customer billing and collections data and submitted a list of 90 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. Mr. Taylor confirmed that one customer had since paid in full, and another had entered into payment plan. After discussion, the Board unanimously authorized termination of service to the remaining delinquent accounts in accordance with the District's Rate Order. Mr. Taylor then recommended write-off of two closed accounts that were delinquent in the total amount of $265.04. The Board unanimously agreed with the operator's recommendation.

Mr. Taylor reported on the condition of booster pumps at water plant No. 1, noting that despite thorough investigation, the operators had not yet determined why pump No. 4 is cavitating. He described actions taken and the potential causes investigated and stated that the operators continue to work through this issue with the District's engineer. It is possible the problem arose in connection with well No. 1 pumping sand into the ground storage tank many years ago, which could have sandblasted the impellers, causing them to slowly deteriorate ever since. Two of the pumps are working at this time, and Mr. Taylor requested Board approval of a $22,742 proposal for repair of booster pump No. 3, which the Board unanimously granted. Mr. Taylor will continue working to resolve the issue at booster pump No. 4.

Mr. Taylor discussed a proposed contract with Today's Integration, Inc. for a monitored alarm system at the District's administration building. Ms. Parks had reviewed the contract and had no objections to it. The purchase price for the equipment was $5,350.74, with an annual monitoring cost of $780 and an annual service cost of $535.07. The Board stated it would prefer the company provide a key fob rather than a keypad, and Mr. Taylor agreed to find out. After further review and discussion, upon motion by Director Sumpter, seconded by Director Reese and unanimously carried, the Board approved the contract and authorized its execution by the Board President. Thereafter, upon unanimous vote, the Board approved the operator's report as presented.

13. The Board further discussed proposed work at the administration building, including new flooring, lighting, and sheetrock. To date, John Taylor had communicated with three different contractors, all to no avail. He and Director Sumpter will continue searching for additional contractors/remodelers. The Board agreed that in a worst-case scenario, the District could bid the project; to that end, Rachel Broom offered her assistance.

14. Rachel Broom presented the engineer's monthly report, copy attached. She addressed the UV system replacement project and agreed to visit the plant with Directors Sumpter and Reese. She noted in connection with the information she presented in the joint meeting that it might also be possible to address the hydraulic issues by reducing the plant's permitted capacity, but agreed additional consideration and analysis was needed.

Ms. Broom presented and discussed a $69,000 proposal for engineering services to produce bid documents for rehabilitation of both ground storage tanks at Water Plant No. 1. While both tanks need rehabilitation, there is no need to complete this work in the near future. To that end, the Board could accept the engineering proposal but direct the engineer not to bid the project until a later date.

Next, Ms. Broom presented and reviewed and application to the Texas Water Development Board (TWDB) for a Water Supply and Infrastructure Grant (WSIG), as well as a Resolution authorizing submission of the grant application and designating an authorized representative. She reported on the engineers' work to compile the application and appreciated contributions by the District's operator and attorney. The application sought a grant of $9.8 million for a water line rehabilitation project. Ms. Broom also noted that revision of the District's Water Conservation Plan (WCP) had been necessary. The District's operators had prepared a draft of a new WCP to be submitted along with the application. Depending on the TWDB's comments on the WCP, the District could formally adopt it later as appropriate. After discussion, upon unanimous vote, the Board approved the draft WCP and the application to the TWDB for the WSIG, and adopted the Resolution authorizing submission of the grant application.

Ms. Broom reported she recently learned that Emerald Forest Utility District intends to move forward with improvements to the water interconnection between the districts. The engineers will further communicate about this with the District's operator as well as with the operator and engineer for Emerald Forest.

Ms. Broom discussed extension of District water and sewer lines to serve the property owned by Kinder Morgan for which it is seeking District annexation. The engineers had determined there was in fact no District sewer connection as close to the property as originally believed, and they will now consider additional options. Ms. Parks presented the District's petition to the City of Houston for addition of the Kinder Morgan land, and after review, the Board voted unanimously to authorize execution of same.

There was no update regarding payment by the insurance carrier for engineering fees incurred by the District for construction and engineering costs of the water plant recovery project. Ms. Broom next discussed the North Harris County Regional Water Authority's (NHCRWA or Authority) Project 31A. The engineers continue to pursue outstanding payments for damages by the Authority's contractors to a District water line and for repair of additional damages at Water Plant No. 2.

Ms. Broom discussed communications from Holt Lunsford regarding its development of the former Mulligan's tract and a possible tenant for the facility it constructed on the tract. The proposed tenant is Culligan, and to that end, Ms. Broom is working with the developer's engineers regarding capacity needs and engineering requirements for such a large water user. Regarding the Kismet & Fate warehouses annexed by the District in 2024, Ms. Broom reported that the project engineer had visited her office and provided documentation showing County approval for extension of service lines. Ms. Broom stated the engineers would provide a letter of no objection for the landowner's project.

Finally, Ms. Broom presented a proposal for engineering services associated with preparation of a bond application report to the Texas Commission on Environmental Quality. She presented the proposal subject to Board discussion with its financial advisor, but noted the proposal addressed preparation of an application for issuance of up to $7,650,000 in bonds. The proposal listed three possible bond amounts, and the proposed fee ranged from $37,500 to $40,000 depending on the size of the bond issue. After discussion, upon unanimous vote, the Board accepted the bond application proposal and the range of fees to be finally determined upon the bond issue size selected after discussions with the financial advisor. After further discussion of the engineer's report, upon unanimous vote, the Board approved the report as presented.

15. The Board recognized Debbie Shelton and discussed proposed capital improvements with her as well as a plan for funding such projects. Ms. Shelton presented cash flow analyses illustrating issuance of bonds in 2027 in three amounts, ranging from $3,500,000 to $7,650,000. Ms. Shelton first reviewed the cost summary prepared by Ms. Broom setting out the various projects. She then reviewed a spreadsheet listing the three possible bond issue amounts and showing the highest and ultimate debt service tax rates. Ms. Shelton stated her intent to maintain the same overall District tax rate and reallocate maintenance tax rate as necessary to the debt service rate. She based her analysis on a 5% interest rate on the bonds and used the debt service fund balance as of May 20, 2026 as well as certified taxable values for 2025. She recommended authorizing an application to the TCEQ for the full amount of voter-authorized bonds, and then later deciding the actual amount of bonds to sell in 2027. Ms. Shelton stated it would be best to issue bonds in an amount less than all of the District's remaining voted bond authority. She noted that ultimately, the District would have to hold a bond election. After careful consideration and further discussion with the financial advisor, upon motion by Director Sumpter, seconded by Director Reese and unanimously carried, the Board authorized the engineer to prepare a bond application seeking authorization for issuance of bonds in an amount not to exceed $7,650,000.

16. The Board discussed matters related to the NHCRWA. The Board again discussed the new fee that the Authority may considering charging on groundwater used by a district if it exceeds 2% of the district's total water use during a year. As discussed last month, the Board understands that the Authority would like districts to use 100% surface water, but after discussion with the District's operator, the Board observed that this would not be possible, as the operators exercise the District's well on a weekly basis. The Board then briefly discussed the Authority's in-person forum held June 30.

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, July 15, 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. Agreement with SentriForce for surveillance camera at plant
   d. Bookkeeper's report and payment of bills
   e. Engineer's report; preparation of plans, advertising for bids, award of contracts, approval of pay requests and change orders; proposed capital improvements
   f. Presentation of public comments
2. Public Comment
3. Law Enforcement Contract (expires 09/30/2026)
4. Approve minutes of meeting held June 17, 2026
5. 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
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, including inspection of playground equipment; authorize repairs/maintenance, improvements, or other actions as 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; authorize repairs, maintenance and other appropriate actions; contract for monitored alarm system
10. Engineer's report: authorize preparation of plans, advertising for bids, award of contracts; approve pay requests, change orders; requests for service inside & outside District
11. Review of Water Conservation Plan; authorize amendment, as necessary and appropriate
12. Application to Texas Water Development Board for Water Supply and Infrastructure Grant; Resolution authorizing submission of grant application and designating authorized representative; authorize other actions as necessary or appropriate
13. Proposed capital improvements and plan for project funding; authorize appropriate actions
14. Development of property in District; authorize actions as appropriate
15. Matters related to North Harris County Regional Water Authority, including recovery of waterline & damage repair costs

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

Melissa J. Parks
Attorney for the District