

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 2

Minutes of Meeting of Board of Directors July 19, 2017

The Board of Directors (the "Board") of Reid Road Municipal Utility District No. 2 (the "District" or "No. 2") met at 11245 Harvest Bend Boulevard, Houston, Texas, on July 19, 2017, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Sean Allen	President
Vicki Owen	Vice President
Fredrick Phillips	Assistant Secretary
Keith Austin	Secretary
Susan Norris	Director

all of said members were present except Director Phillips, who entered later in the meeting, and Director Allen thus constituting a quorum.

Also present were Pat Cieslewitz, Carla Christensen and Bob Brengel of the Reid Road Municipal Utility District No. 1 Board of Directors (the "No. 1 Board"); Brenda McLaughlin of Bob Leared Interests ("Bob Leared"); Vickey Sullivan of Equi-Tax Inc. ("Equi-Tax"); John Montgomery and Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"); Dennis Hughes and Scott Blissett of Landev Engineers, Inc. ("Landev"); Jim Murdaugh of Smith, Murdaugh, Little & Bonham, L.L.P. ("SMLB"); David Banos of Municipal Accounts & Consulting, L.P. ("MA&C"); Christina Perry of Myrtle Cruz, Inc.; Deputy Martinez, Deputy Ener, and Deputy Rogers of Harris County Constable Pct. 4; Frank Mitchell, Shaila Shah, and Josh Zientek of Roach & Mitchell, PLLC ("RMPLLC"); Michael Murr of Park Rangers, LLC ("Park Rangers"); Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC ("MGSB"); Dawn Mouton of Champions Hydro-Lawn Inc. ("Champions"); Allen DeJonge of Off-Cinco; and Shawn Byron of KGA DeForest Design, LLC ("KGA").

The Board Vice President declared the meeting to be open for such business as might come before it.

RECOGNIZE MARVIN FESLER FOR DEDICATED SERVICE TO REID ROAD MUD NO. 1

Director Cieslewitz noted that Director Marvin Fesler had passed away and requested that the meeting attendees observe a moment of silence in Director Fesler's honor.

OPERATIONS AND MAINTENANCE REPORT FOR JOINT SEWAGE TREATMENT PLANT ("JSTP")

Mr. Montgomery next presented and reviewed the operations and maintenance report for the JSTP, a copy of which is attached hereto as **Exhibit A**. Mr. Montgomery noted that the motors for starter #4 had all gone out, but were now back in service. He also stated that there was an increase in debris at the JSTP due to the recent rain. He then noted that the belt press ran longer than usual due to the debris

and odor noted at the JSTP. The No. 1 Board then approved the JTSP operations report. Director Owen then moved to accept the JSTP operations report. Director Austin seconded said motion, which passed unanimously.

BOOKKEEPING REPORT AND INVOICES (JSTP)

Ms. Perry presented the bookkeeping report, a copy of which is attached hereto as **Exhibit B**. After no questions, the No. 1 Board approved the bookkeeper's report for the JSTP. Director Norris then moved that the Board accept the JSTP bookkeeping report. Director Austin seconded said motion, which carried unanimously.

ANNUAL AUDIT REPORT FOR FISCAL YEAR ENDED MARCH 31, 2017

Mr. Ellis presented the draft audit report for the JSTP for fiscal year ended March 31, 2017. He stated that an unmodified opinion was issued and there were no audit issues to note. After brief discussion, the No. 1 Board approved the audit report. Director Norris then moved to approve the audit report. Director Owen seconded the motion, which passed unanimously.

ENGINEERING REPORT (JSTP)

Mr. Hughes presented the JSTP engineering report to the Boards and gave updates about the ongoing rehabilitation and expansion projects. After discussion, the No. 1 Board then accepted the JSTP engineering report. Director Norris moved that the Board accept the JSTP engineering report. Director Owen seconded said motion, which carried unanimously.

REPORT ON SUNNY SKY PRODUCTS

Mr. Montgomery noted that MOC is recommending modifications to the Districts' Industrial Waste Order(s), in part to address recent issues with Sunny Sky Products, and reviewed the recommendations. After discussion, the No. 1 Board approved the modifications to the Industrial Waste Order, subject to attorney review. Director Owen then made a motion to approve the modifications to the Industrial Waste Order, similarly subject to RMPLLC review. Director Austin seconded the motion, which passed unanimously.

JOINT CONSTABLE PATROL REPORT

Deputy Martinez gave the joint patrol report and noted that they had responded to several calls for service. The No. 1 Board inquired as to a number of events that occurred in the District within the month. The No. 1 Board then accepted the joint constable patrol report. Director Austin moved that the Board accept the joint constable patrol report. Director Norris seconded said motion, which carried unanimously.

The No. 1 Board and consultants exited the meeting at this time.

Director Phillips entered the meeting at this time.

APPROVE PREVIOUS MINUTES

The Board considered approving the minutes of the June 21, 2017 regular meeting. The Board voted to defer approval of the minutes until the August meeting.

CONSTABLE PATROL REPORT

Deputy Ener provided an oral report of the thefts and other incidents within the District for the month. There were no questions from the Board and the Board thanked the officers for their continued service to the District.

REVIEW DRAFT DISTRICT WEBSITE AND UPDATE ON DIRECTOR EMAIL ACCOUNTS

Mr. DeJonge presented the draft website to the Board, and he reviewed each website page and discussed the additional documents that would be posted. He then noted that each Director had an email address and that there was one generic email address for the District. Director Norris then made a motion to authorize Off Cinco to publish the website as a live version, pending the additional documents and attorney review. Director Austin seconded the motion, which passed unanimously.

REVIEW AUDIT REPORT FOR FISCAL YEAR ENDED MARCH 31, 2017

Mr. Ellis presented and reviewed the District's draft audit report for the fiscal year ended on March 31, 2017. He noted that a clean opinion was issued for the District as there were no audit issues. Mr. Mitchell asked the Board to approve the audit report subject to review and final comment by RMPLLC. Director Austin made a motion to accept the audit report subject to review and final comment by RMPLLC. The motion was seconded by Director Phillips and passed unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Mrs. Sullivan provided the Board with a written tax assessor-collector report, a copy of which is attached hereto as Exhibit C. She noted that at the end of May, the District was approximately 98.7% collected for 2016 taxes. Mrs. Sullivan then presented several checks for the Board's review. Mrs. Sullivan also presented the Strategic Partnership Agreement ("SPA") report. After no questions, Director Phillips made a motion, which was seconded by Director Norris and passed unanimously, to approve the tax assessor-collector report and payment of checks reflected therein.

STATUS OF ANNUAL CONTINUING DISCLOSURE REPORT

Mr. Mitchell stated that this item will be deferred to next month until after completion of the audit report.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Ms. Sullivan presented the delinquent tax collections attorney report. She noted that there were a few outstanding accounts and that no action was required.

BOOKKEEPER'S REPORT

Mr. Banos presented and reviewed with the Board the bookkeeper's report including the checks presented for payment, a copy of which report is attached hereto as Exhibit D. Mr. Banos noted that an additional check was written for legal fees that will be reflected on next month's report. He then presented his recommendations for investing in Certificate of Deposits ("CDs") at Third Coast Bank and Preferred Bank. Mr. Banos also stated that registration for AWBD conference will open on August 2, 2017. After brief discussion, Director Owen moved to approve the bookkeeper's report, payment of invoices, and investment in the CDs as recommended. Director Austin seconded the motion, which carried unanimously.

REVIEW PROPOSED SERIES 2017 BONDS (ISSUE NO. 7) AND RELATED MATTERS

Mr. Mitchell reported that there are a few documents to finalize prior to the submission of the Bond Application Report for Issue No. 7.

FINANCING/REIMBURSEMENT REQUESTS, SITE/FACILITY CONVEYANCES, ANNEXATION STATUS, POSSIBLE AMENDMENT OF UTILITY DEVELOPMENT AGREEMENT(S), AND OTHER DEVELOPMENT MATTERS

There was no update provided at this time.

STATUS OF PARK MANAGEMENT/MAINTENANCE FOR THE PARK AT WILLBERN ("Park")

Mr. Murr presented the oral Park Rangers report to the Board. He stated that there are four (4) broken slats in the picnic tables with the replacement slats costing \$118 each. Discussion ensued regarding the repairs and the possibility of a temporary repair. Mr. Murr stated that he will continue to research repair/replacement options and present a recommendation at the August meeting. He also noted the other repairs that were made in the Park within the month and additional upcoming repairs. He then noted that the grass at the park was struggling due to the summer heat and dry weather and that his team is currently treating the weeds.

Mr. Byron then presented an update on the next phase of the Park construction and noted that the contractor has mobilized in anticipation of moving the project forward. He noted that the pavilion slab is scheduled to be poured the week of July 17, 2017, and the walking maze is scheduled to be poured by August 4, 2017. He also stated that the pavilion structure is scheduled to be delivered the third week of August.

CONSIDER REQUEST FROM HARVEST BEND - THE VILLAGE HOA FOR THE PARK/PLAYGROUND REHABILITATION/UPGRADE

This item was deferred to the next Board meeting.

ENGINEERING REPORT

Mr. Hughes presented to the Board a written engineering report, a copy of which is attached as **Exhibit E**. Mr. Hughes stated that he is reviewing the report for the final phase of televising of the sanitary sewer lines. Mr. Hughes then noted that the construction is still ongoing for the Homewood Suites and there is no additional information to report. Mr. Hughes also stated that he followed up with the low bidder for the generator building and the building for storage of the chemicals and materials to be located within the Water Plant No. 1 site. He noted that the low bidder, AAA Time Bider Services, made a mistake with their bid tabulation and would not be able to complete the project in the amount they had presented. Mr. Hughes reported that he spoke with the second lowest bidder, Panarama, who confirmed its bid in the amount of \$128,252. After discussion, upon motion by Director Austin, seconded by Director Norris, the Board voted unanimously to accept the bid from Panarama in the amount of \$128,252. Mr. Hughes next stated that Landev completed the utility feasibility study for a 5.85-acre tract located at 11915 Windfern Road. He reviewed the report with the Board and noted that there would be no cost to the District regarding the utilities because (1) there is an existing sanitary sewer line nearby that could tie into the sewer line for the tract and the waterline along Windfern Road could be used for water service. Brief discussion ensued and the Board requested that Mr. Hughes contact the developer, Liberty Property, to request a list of businesses that they plan to open at the location. Upon motion by Director Norris, seconded by Director Owen, the Board voted unanimously to approve the Engineer's Report.

Director Phillips exited the meeting during the Engineer's Report.

OPERATIONS AND MAINTENANCE REPORT

Mr. Martin presented and reviewed with the Board the operations report, a copy of which is attached as **Exhibit F**. Mr. Mitchell stated that RMPLLC sent the open records request for previous operations reports to West Harris County Municipal Utility District No. 21. Mr. Martin noted that the new Rate Order previously approved by the Board became effective July 1, 2017. He also reported that the additional tap was installed to serve the Wilbern Elementary School and the additional cost-plus portion of the tap fee was waived as approved by the Board at the last regular meeting. The Board did not have any questions regarding the Operator's Report. Director Owen then made a motion to approve the Operator's Report and to ratify the motion made at the June meeting to waive the cost-plus portion of the tap fee for the additional tap at the Willbern Elementary School due to, among other things, the tax-exempt nature of the school. Director Norris seconded the motion, which passed unanimously.

DIRECTOR'S REPORTS

Director Owen noted that she did not attend the monthly NHCRWA meeting.

ATTORNEY'S REPORT

Mr. Mitchell stated that a legislative update will be provided after the close of the special session(s) in Austin. He then introduced Josh Zientek as the new associate attorney with RMPLLC.

EXECUTIVE SESSION

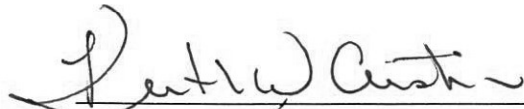
The Board did not enter executive session during this meeting.

FUTURE AGENDA ITEMS AND PENDING BUSINESS

The Board did not discuss any additional future agenda items or pending business.

ADJOURNMENT

After no further discussion, upon motion made by Director Austin, seconded by Director Norris and unanimously carried, the Board adjourned the meeting.


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS

Exhibit A	O&M Report for JSTP
Exhibit B	Bookkeeper's Report for JSTP
Exhibit C	Tax Assessor/Collector Report
Exhibit D	Bookkeeper's Report
Exhibit E	Engineer's Report
Exhibit F	Operator's Report