

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 2

Minutes of Meeting of Board of Directors June 20, 2018

The Board of Directors (the "Board") of Reid Road Municipal Utility District No. 2 (the "District") met in regular session, open to the public, at 11245 Harvest Bend Boulevard, Houston, Texas in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board as follows:

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

all of said members were present, except for Director Phillips, thus constituting a quorum.

Also present were Pat Cieslewitz, Carla Christensen, Bob Brengel, Robert Sumpter and Gilbert De La Cruz of the Reid Road Municipal Utility District No. 1 ("RR1") Board of Directors (the "No. 1 Board"); Robin Goin 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"); Christina Perry of Myrtle Cruz, Inc. ("MCI"); Dennis Hughes and Scott Blissett of Landev Engineers, Inc. ("Landev"); Melissa Kilpatrick of Smith, Murdaugh, Little & Bonham, L.L.P. ("SMLB"); Charlie LaConti of Municipal Accounts & Consulting, L.P. ("MA&C"); Deputy Blackledge and Deputy Curry (late) of Harris County Constable Pct. 4 ("HCC4"); Frank Mitchell and Joshua Zientek of Roach & Mitchell, PLLC ("RMPLLC"); and Susan Norris, a resident of the District.

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

Mr. Montgomery presented and reviewed the Operations and Maintenance Report for the JSTP, a copy of which is attached hereto as Exhibit A. The No. 1 Board discussed a concern about mercury levels and Mr. Montgomery reported that the levels were within an acceptable range for April and May. Mr. Montgomery reported that a dental office in RR1 that owed penalties has agreed to pay the penalty for April and he also met with the dentist office and discussed their testing procedures. Director Brengel asked if blower nos. 4 and 5 are functioning properly and if they are running continuously. Mr. Montgomery responded that they turn on in the morning and off in the evening. Director Brengel further inquired if the blowers will need to be replaced eventually due to wear. Mr. Montgomery said that they are being used as intended. After no further questions, the No. 1 Board approved the Operations and Maintenance Report for the JSTP. Director Allen then moved that the Board accept the Operations and Maintenance Report for the JSTP. Director Owen seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT FOR JSTP

Mrs. Perry presented the Bookkeeper's Report for the JSTP, including the checks presented for payment, 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, including payment of the checks presented therein. Director Allen made a motion to approve the Bookkeeper's Report for the JTSP, including the checks presented therein. Director Owen seconded said motion, which carried unanimously.

ENGINEERING REPORT FOR JSTP AND JOINT FACILITIES

Mr. Hughes presented the Engineering Report for the JSTP to the Boards. He reported that tests were conducted on the blowers and that they are functioning properly, but the electronics need repairs and that all repairs will be completed within thirty (30) days. Next, he reported that he is working on the waste discharge renewal permit for the JSTP, which is due September 1, 2018, and should be completed without any problems. Director Allen, seconded by Director Owen, moved to accept the Engineering Report for the JSTP and Joint Facilities. The motion passed unanimously. Mr. Mitchell then reported that the Texas Commission on Environmental Quality ("TCEQ") reported that the effluent re-use permit related to the Lakeside Club has been conditionally approved. He reported that there is a thirty (30) day public comment period. The Board took no further action at this time.

JOINT CONSTABLE PATROL REPORT

Deputy Curry presented the Joint Constable Patrol Report and noted the service calls to which they had responded during the month. He noted that changes are being made in their duties in RR1. There were no questions from the Board.

The RR1 Board and consultants exited the meeting at this time.

APPROVE PREVIOUS MINUTES

The Board considered approving the minutes of the May 16, 2018 regular meeting but deferred approval at this time.

CONSTABLE PATROL REPORT

Deputy Blackledge provided an oral report of the activities within the District for the month. There were a few burglaries reported and there was brief discussion of several of the incidents reported.

REQUEST FROM HARVEST BEND-THE VILLAGE HOMEOWNER'S ASSOCIATION ("HBVHOA") FOR PARK/PLAYGROUND REHABILITATION UPGRADE

There were no representatives of the HBVHOA present. This item was deferred and

requested to remain on the agenda for next month.

REVIEW AUDIT REPORT FOR FISCAL YEAR ENDED MARCH 31, 2018

Mr. Mitchell reported that he received an email from the District's auditor the day of the Board meeting asking for additional information. He noted that the Annual Audit Report for the fiscal year end 2018 was not yet finalized and asked the Board to defer until such time as it is complete, and the Board agreed to defer.

TAX ASSESSOR'S REPORT

Mrs. Sullivan provided the Board with a written Tax Assessor's Report and the City of Houston Strategic Partnership Agreement ("SPA") Report, copies of which are attached hereto as Exhibit C. After no questions, Director Austin made a motion, which was seconded by Director Allen, and passed unanimously, to approve the Tax Assessor's Report and payment of checks reflected therein.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Mrs. Sullivan noted that she did not have anything to report at this time. The Board took no action at this time and deferred this item.

BOOKKEEPER'S REPORT

Mr. LaConti presented the Bookkeeper's Report and the checks presented for payment, a copy of which report is attached hereto as Exhibit D. He gave some recommendations regarding reinvestment of funds in certain CDs. After no further questions, Director Owen, seconded by Director Allen, moved to approve the Bookkeeper's Report, the CD investment with Independent Bank, and the checks presented for payment. The motion passed unanimously.

Mrs. Sullivan exited the meeting during the Bookkeeper's Report.

FILING OF UNCLAIMED PROPERTY REPORT

Mr. Mitchell explained the purpose and necessity of filing the unclaimed property report. Mr. Mitchell reported that Mr. LaConti had already filed the unclaimed property report as noted at last month's meeting. Director Owen, seconded by Director Allen, moved to ratify the filing of the unclaimed property report. The motion passed unanimously.

STATUS OF SERIES 2018 BONDS (ISSUE NO.7)

Mr. Mitchell noted that the application submitted to the Texas Commission on Environmental Quality ("TCEQ") is still pending their review and there are no new updates at this time. Mr. Hughes indicated that he contacted the TCEQ and a letter should be received in late June

or early July 2018.

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

Mr. Mitchell stated that there are no updates and asked that the item be deferred.

ENGINEERING REPORT

Mr. Hughes presented to the Board a written Engineering Report, a copy of which is attached as **Exhibit E**. Mr. Hughes reported that the contractor, Texas Pride Utilities, said progress was being made on the Sanitary Sewer Rehabilitation project. He then discussed the possible annexation of Zurg, LLC (“Zurg”) property and explained that they would like to add more warehouses and offices for which they would be requesting service from the District. Mr. Hughes explained that a feasibility study is being conducted accordingly. He then explained that he met with Southco Products regarding their request for a cleaning station for railroad car boxes. Mr. Hughes said he has not concluded reviewing the process for cleaning the boxes, which uses an acid bath and that he is attempting to ensure that pretreatment is done properly prior to dumping into the sanitary sewer system before the process will be approved. After further discussion, Director Austin moved to approve the Engineer’s Report. The motion was seconded by Director Allen and passed unanimously.

OPERATION AND MAINTENANCE REPORT

Mr. Martin presented and reviewed with the Board the Operations and Maintenance Report, a copy of which is attached as **Exhibit F**. He reviewed the collected amounts, accounts to be moved to uncollectible roll, and cut-off lists. He then reported that he and Mr. Hughes had conducted a 6-month inspection and found that a motor bearing at Well No. 1 is vibrating and needs repair work. The repairs will cost approximately two thousand and one hundred dollars (\$2,100). After no questions by the Board, Director Austin, seconded by Director Allen moved to approve the Operation and Maintenance Report and repair at Well No. 1. The motion passed unanimously.

DIRECTOR’S REPORTS

There were no Director reports presented.

AUTHORIZE EXECUTION OF VOTING SYSTEM ANNUAL FILING FORM

Mr. Mitchell noted that the Board is required annually to file a form with the Secretary of State regarding the voting system(s) the District may have used during the year, and he asked for authorization to complete and file the form. Director Allen moved to authorize execution of the voting system annual filing form. The motion was seconded by Director Owen. The motion passed unanimously.

AUTHORIZE RECORDS MANAGER TO DESTROY OLD MEETING NOTES

Mr. Mitchell asked the Board to consider approval of the destruction of old copies of prior Board meeting notes as allowed by applicable law. He reminded the Board that RMPLLC is retaining electronic copies of virtually all District records and that copies of all official meeting minutes are kept in perpetuity. After discussion, Director Allen made a motion to authorize the destruction of old copies of prior Board meeting notes. Director Austin seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Mitchell noted that RMPLLC did not have any information to report of a legal nature that was not already addressed under other agenda items.

EXECUTIVE SESSION

The Board did not enter executive session during this meeting.

DISCUSSION REGARDING PENDING OR FUTURE BUSINESS

Director Allen asked to add a future agenda item to discuss updating the District data devices provided to the Directors for accessing electronic records.

ADJOURNMENT

After no further discussion, Director Allen moved to adjourn the meeting which was seconded by Director Owen. The motion passed unanimously.

Approved on August 15, 2018.

(SEAL)




Secretary, Board of Directors

LIST OF EXHIBITS

- Exhibit A Operations and Maintenance Report for the JSTP
- Exhibit B Bookkeeper's Report for the JSTP
- Exhibit C Tax Assessor's Report
- Exhibit D Bookkeeper's Report
- Exhibit E Engineering Report
- Exhibit F Operations and Maintenance Report