

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 2

Minutes of Meeting of Board of Directors March 20, 2019

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 March 20, 2019, 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

all of said members were present, except for Director Phillips who arrived later in the meeting.

Also present were Pat Cieslewitz, Carla Christensen, Bob Brengel, and Robert Sumpter of the Reid Road Municipal Utility District No. 1 Board of Directors (the "No. 1 Board"); Vickey Sullivan of Equi-Tax Inc. ("Equi-Tax"); John Montgomery and Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"); David Banos of Municipal Accounts & Consulting, L.P. ("MA&C"); Erin Garcia of Myrtle Cruz, Inc. ("Myrtle Cruz"); Scott Blissett and Julian Garza Jr. (late) of Landev Engineers, Inc. ("Landev"); Deputy Martinez and Deputy Blackledge of Harris County Constable Pct. 4 ("HCC4"); Frank Mitchell 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. Mr. Montgomery gave an update on repairs that needed to be made to the JSTP. After discussion of the recommended repairs, the No. 1 Board approved the Operations and Maintenance Report for the JSTP. Director Allen, seconded by Director Austin, then moved to approve the Operations and Maintenance Report for the JSTP. The motion passed unanimously.

BOOKKEEPER'S REPORT FOR JSTP, INCLUDING OPERATING BUDGET FOR FYE MARCH 31, 2020

Ms. Garcia presented and reviewed the Bookkeeping Report for the JSTP and proposed draft budget for fiscal year ending March 31, 2020, a copy of which is attached hereto as Exhibit B. The Board discussed the amendments that needed to be made to the budget, then the No. 1 Board approved the Bookkeeper's Report for the JSTP, including payment of the checks presented therein and the budget as amended. Director Allen, seconded by Director Phillips, then moved to approve the Bookkeeper's Report for the JSTP, including payment of the checks presented therein and the budget as amended. The motion passed unanimously.

ENGINEERING REPORT FOR THE JSTP AND JOINT FACILITIES

Mr. Blissett presented the Engineering Report for the JSTP and Joint Facilities. He reported that the Wastewater Treatment Plant (“WWTP”) permit renewal is being processed. Mr. Blissett reported that he is working with contractors on correcting an issue relating to the control panel of one of the blowers of the JSTP. After no additional questions, the No. 1 Board approved the Engineering Report for the JSTP and Joint Facilities. Director Owen, seconded by Director Austin, then moved to approve the Engineering Report for the JSTP and Joint Facilities. The motion passed unanimously.

JOINT CONSTABLE PATROL REPORT

Deputy Martinez gave the Joint Constable Patrol Report and reviewed incidents which occurred in the District.

STATUS OF EFFLUENT REUSE AGREEMENT, PERMIT, AND RELATED APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (“TCEQ”) (WITH THE LAKESIDE CLUB)

Mr. Mitchell reported that RMPLLC has been in contact with No. 1’s attorney and the Lakeside Club’s representatives on an invoice to submit to the Lakeside Club’s Board for approval.

At this time the No. 1 Board and the consultants for the No. 1 Board exited the meeting. Deputy Martinez and Director Owen also exited the meeting at this time.

APPROVE MINUTES OF PRIOR BOARD OF DIRECTORS MEETING(S)

The Board considered approving the minutes of the January 9, 2019 special meeting, the January 16, 2019 regular meeting, and the February 20, 2019 regular meeting. Director Austin, seconded by Director Allen, moved to approve the minutes of the January 9, 2019 special meeting, the January 16, 2019 regular meeting, and the February 20, 2019 regular meeting as presented. The motion passed unanimously, with Director Owen not present for the vote.

Director Owen reentered the meeting at this time.

CONSTABLE PATROL REPORT

Deputy Blackledge provided an oral report and reviewed incidents which occurred in the District for the month of February 2019.

Deputy Martinez and Deputy Blackledge exited the meeting at this time.

ENGAGEMENT OF AUDITOR TO PREPARE AUDIT FOR FISCAL YEAR ENDED MARCH 31, 2019 (MGSB-ev)

Mr. Mitchell noted that the Board executed an evergreen engagement contract with McCall Gibson Swedlund Barfoot PLLC (“MGSB”) and that the no action is needed if the Board

is satisfied with their current contract with MGSB. The Board concurred to take no action at this time.

STATUS OF ISSUANCE OF SERIES 2019 REFUNDING BONDS

Mr. Mitchell updated the Board on the status of the Series 2019 Refunding Bonds. The Board discussed holding the special pre-close Board meeting on Wednesday, April 3, 2019 and the schedule for closing. The Board concurred to hold the meeting on April 3rd.

TAX ASSESSOR'S REPORT

Mrs. Sullivan provided the Board with a written Tax Assessor-Collector Report, a copy of which is attached hereto as **Exhibit C**. Ms. Sullivan next presented an update on the Strategic Partnership Agreement ("SPA") report. Upon no further discussion and a motion by Director Allen, seconded by Director Phillips, the Board voted unanimously to approve the Tax Assessor-Collector Report, including payment of checks contained therein.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Mrs. Sullivan stated there was nothing to report at this time.

BOOKKEEPER'S REPORT

Mr. Banos presented and reviewed the Bookkeeper's Report and proposed budget for fiscal year ending March 31, 2020, a copy of which is attached hereto as **Exhibit D**. Mr. Banos recommended reinvesting the money that the District has in the Central Bank CD to South Star Bank for one (1) year at 2.65%. Director Allen then moved, seconded by Director Phillips, to approve the (1) Bookkeeper's Report including checks listed therein; (2) reinvestment of the proceeds of the Central Bank CD to South Star Bank for one (1) year at 2.65% interest; and (3) the proposed budget as presented subject to any adjustments approved in the JSTP budget. The motion passed unanimously.

AUTHORIZE CONSULTANTS TO RESEARCH UNCLAIMED PROPERTY AND RELEASE NOTICE TO CERTAIN UNCLAIMED PROPERTY OWNERS

Mr. Mitchell explained the statutory annual requirements to review the District's records, notify certain unclaimed property owners in writing for any amounts over \$250, and subsequently submit to the state an unclaimed property report and certain property held in custody by the District. Director Austin moved to authorize notice to any unclaimed property owners and submission of the appropriate report and escheating of any applicable property to the state. Said motion was seconded by Director Phillips and passed unanimously.

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

Mr. Mitchell provided an update on the Phelan-Bennet development. He noted that

RMPLLC is working with the developer and confirmed the payment for the feasibility study has been deposited and the study is now underway.

ENGINEERING REPORT

Mr. Garza presented to the Board a written Engineering Report, a copy of which is attached as Exhibit E. He updated the Board on the Phelan-Bennet development and annexation.

Mr. Banos exited the meeting at this time.

OPERATIONS 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. Mr. Martin reviewed the repairs, replacements, and bacteriological samples for the month. Next, Mr. Martin reviewed the uncollectible roll and cut-off list. He stated that the District is not on interconnect with West Harris Municipal Utility District No. 21 ("WHMUD21") this month. Mr. Martin reported that Accurate Meters and Supply tested all commercial meters and found that several of the meters are not reading correctly. Mr. Martin confirmed he is working on getting the meters replaced and will recalculate the usage with WHMUD21 to prepare an amended interconnect agreement.

Mr. Martin then discussed the need to sandblast and paint the water plant(s) and presented a quote for approval not to exceed \$6,500 per plant. Mr. Martin next presented a proposal for scope of the work needed for the addition of piping in the detention pond. He informed the Board that he will report back with price quotes for the proposal.

Director Phillips presented a written report on the quarterly inspection of the District's facilities. Mr. Martin addressed the items in the report and noted the repairs which needed to be made. Mr. Martin then presented photos regarding the repairs that were requested and completed at Water Plant No. 2.

After no further discussion, Director Allen moved, seconded by Director Phillips, to approve: (1) the Operations and Maintenance Report including movement of accounts to the uncollectible roll and the cutoff list; (2) the quote for sandblasting and painting not to exceed \$6,500 per water plant; and (3) preparation of the Consumer Confidence Report. The motion passed unanimously.

STATUS OF PARK MANAGEMENT/MAINTENANCE FOR THE PARK AT WILLBERN

There was no update at this time.

DIRECTORS' REPORTS

Director Owen reported that she had no updates from the North Harris County Regional Water Authority ("NHCRWA") meeting but provided the Board with documentation that she received at the meeting.

REVIEW CURRENT DISTRICT POLICIES

Mr. Mitchell discussed the annual review of the District's Investment Policy, Qualified Brokers List, and Code of Ethics. He recommended that no changes be made. Director Allen then moved, seconded by Director Phillips, to approve the annual review the District's Investment Policy, Qualified Brokers List, and Code of Ethics. The motion passed unanimously

The review of the Computer Usage Policy and the Electronic Records Policy was deferred.

ATTORNEY'S REPORT

Mr. Mitchell advised the Board of a recent Texas Court of Criminal Appeals opinion regarding the constitutionality of certain sections of the Texas Open Meetings Act ("TOMA"). He then reported there is current legislation pending that has been filed to correct the affected statutes.

EXECUTIVE SESSION

The Board did not enter executive session during the meeting.

DISCUSSION REGARDING PENDING OR FUTURE BUSINESS

The Board discussed clarification on the special meeting date for the Series 2019 Refunding Bonds pre-close meeting.

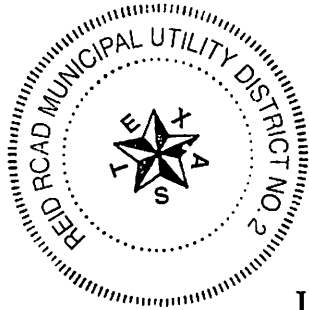
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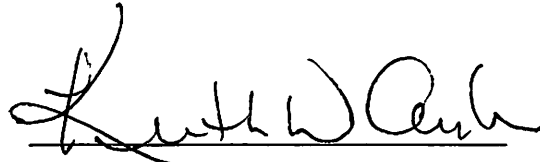
After no further discussion, Director Phillips moved to adjourn the meeting. Director Austin seconded said motion, which carried unanimously.

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Approved on April 17, 2019

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS

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