

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 2

Minutes of Meeting of Board of Directors

May 15, 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, thus constituting a quorum.

Also present were Pat Cieslewitz, Bob Brengel, Gilbert De La Cruz, and Robert Sumpter (late) 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. of Landev Engineers, Inc. ("Landev"); Deputy Martinez and Deputy Blackledge of Harris County Constable Pct. 4 ("HCC4"); Jonathan Roach and Joshua Zientek of Roach & Mitchell, PLLC ("RMPLLC"); Robin Goin of Bob Leared Interests ("Bob Leared"); Lenny Hardoin of Champions Hydro-Lawn ("Champions"); Michael Murr (late) of Park Rangers, LLC ("Park Rangers"); 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 informed the Boards that the JSTP aeration basin was inspected and cleaned. He further explained recent repairs that were made to the JSTP. After discussion, 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 with Director Phillips being absent for the vote.

BOOKKEEPER'S REPORT FOR JSTP

Ms. Garcia presented and reviewed the Bookkeeping Report for the JSTP, a copy of which is attached hereto as Exhibit B. The No. 1 Board then approved the Bookkeeper's Report for the JSTP,

including payment of the checks presented therein. Director Allen then moved, seconded by Director Owen, to approve the Bookkeeper's Report for the JSTP, including payment of the checks presented therein. The motion passed unanimously.

Director Phillips entered the meeting during the Bookkeeper's Report for the JSTP.

ENGINEERING REPORT FOR THE JSTP AND JOINT FACILITIES

Mr. Blissett presented the Engineering Report for the JSTP and Joint Facilities. He reported that the final Waste Discharge Permit should be released by the TCEQ the following week. Then Mr. Blissett recommended that the District have an inspection performed on the JSTP, specifically the air distribution system. He informed the Board that a wastewater air distribution system specialist was hired and that inefficiencies within the system were detected that need to be addressed. The Boards concurred with waiting to make any repairs until they have more information relating to costs associated with the needed repairs. After no questions, the No. 1 Board approved the Engineering Report for the JSTP and Joint Facilities and authorized MOC to proceed with the requested repairs associated with the inefficiencies in the wastewater air distribution system. Director Allen then moved, seconded by Director Austin, to approve the Engineering Report for the JSTP and Joint Facilities and authorize Landev to report back with estimated costs for the requested repairs associated with the inefficiencies in the wastewater air distribution system. The motion passed unanimously.

Mr. Murr arrived during the Engineering Report for the JSTP and Joint Facilities.

JOINT CONSTABLE PATROL REPORT

Deputy Martinez gave the Joint Constable Patrol Report and reviewed incidents which occurred in the Districts. The Boards discussed an incident in which a resident was shooting a gun, and Deputy Martinez informed the Boards that the resident was arrested after further investigation.

STATUS OF EFFLUENT RE-USE AGREEMENT, PERMIT, AND RELATED APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") (WITH THE LAKESIDE CLUB)

Mr. Roach reported there is nothing new to report at this time.

At this time the No. 1 Board and the consultants for the No. 1 Board exited the meeting.

STATUS OF JSTP AUDIT REPORT FOR FYE MARCH 31, 2019

Mr. Roach explained that the District's auditor is still preparing the audit report for fiscal year ended March 31, 2019, and requested that this item be deferred.

APPROVE MINUTES OF PRIOR BOARD OF DIRECTORS MEETING(S)

The Board considered for approval the minutes of the April 17, 2019 regular meeting. After discussing requested revisions, Director Phillips moved, seconded by Director Austin, to approve the minutes of the April 17, 2019 regular meeting with the requested revisions. The motion passed unanimously.

CONSTABLE PATROL REPORT

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

STATUS OF AUDIT REPORT FOR FYE MARCH 31, 2019

Mr. Roach explained that the District's auditor is still preparing the audit report for fiscal year ended March 31, 2019, and requested that this item be deferred.

STATUS OF CONTINUING DISCLOSURE REPORT

Mr. Roach requested that this item be deferred until after the audit report for fiscal year ended March 31, 2019, is completed.

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 Owen, the Board voted unanimously to approve the Tax Assessor-Collector Report and SPA report, including payment of checks contained therein.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Mrs. Sullivan presented the Delinquent Tax Collections Attorney Report. There were no action items at this time.

RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach reminded the Board that, pursuant to the Texas Property Tax Code, under certain conditions the District could impose an additional penalty up to 20% on delinquent real property taxes as of July 1st of each year and that the penalty is essentially to cover the costs of collections by the District's delinquent tax collections attorneys. He further informed the Board that it already approved the Resolution which now simply needs the appropriate signatures.

BOOKKEEPER'S REPORT

Mr. Banos presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as Exhibit D. After the Board's discussion, Director Allen moved, seconded by Director Owen, to approve the Bookkeeper's Report including checks listed therein. The motion passed unanimously.

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

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

Mr. Roach informed the Board that GSL Capital Management, LLC ("GSL") is requesting reimbursement for \$20,000 included as part of the land/site costs for a water line easement which was included in the District's most recent bond issue. Mr. Roach requested that the Board authorize the District's auditor to review the reimbursement request with a budget of approximately \$2,500 for the audit-related work. Director Austin moved, seconded by Director Owen, to authorize the District's auditor to review the reimbursement request by GSL with an audit budget not to exceed \$2,500. The motion passed unanimously.

Mr. Roach then informed the Board that RMPLLC is working with Phelan-Bennett Development ("Phelan") for a requested utility commitment letter ("UCL") for Phelan to provide to Harris County to confirm capacity availability for Phelan's planned development (the "Development"). The Board discussed the number of connections needed for the Development. The Board additionally discussed a request by Phelan to develop a and possibly obtain reimbursement should Phelan develop the road. The Board discussed the requirements related to District-approved road powers and reimbursements and various legal and administrative issues related to same. The Board then concurred to not proceed with involvement in the road development or any possible related reimbursement. After no further discussion, Director Allen moved, seconded by Director Austin, to approve the UCL as presented and deny the request for road reimbursement. The motion passed unanimously.

ENGINEERING REPORT

Mr. Garza clarified the Engineering Report for the JSTP and Joint Facilities specifying the needed repairs discussed in that item and issues related to the operations of the JSTP.

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 E. Mr. Martin reported that the District is receiving water from, as payment back in-kind for water previously provided by the District to, West Harris County Municipal Utility District No. 21 ("WCHCMUD21") and that this water supply would be reflected

on future Operations and Maintenance Reports. Next, Mr. Martin discussed and presented the proposed Consumer Confidence Report (“CCR”). Additionally, he explained how the CCR will be distributed to residents. Director Allen then moved, seconded by Director Phillips, to approve the CCR pending any applicable revisions by the District’s consultants. The motion passed unanimously. The Board then discussed the status of painting of fire hydrants within the District. Next, the Board discussed the status of the Water Wise program, and Director Owen informed the Board that she will follow-up with the school district regarding same. Mr. Martin reported that there were no collection accounts and no uncollectible accounts to report so no additional Board action was required at this time.

STATUS OF PARK MANAGEMENT/MAINTENANCE FOR THE PARK AT WILLBERN

Mr. Murr provided an update on the park management and maintenance. The Board took no action at this time.

REVIEW STATUS OF GARBAGE COLLECTION SERVICES

The Board discussed various concerns with the garbage collections services. Director Allen said he will forward photographs to RMPLLC to forward to the garbage collection services representative for review.

RESOLUTION REGARDING DESIGNATION OF ADDITIONAL MEETING PLACES

Mr. Roach presented and reviewed an Order Designating Additional Meeting Places Inside the District (the “Order”). The Board discussed the Order and additional meeting places that could be designated. After discussion, the Board concurred with not adopting the Order.

DIRECTORS’ REPORTS

Director Owen reported that an educational lab for the North Harris County Regional Water Authority (“NHCRWA”) sustained water damage and a new one was purchased. The Board further discussed the Water Wise program and progress that is being made.

CONSIDER OPTIONS FOR DIRECTOR VACANCY, INCLUDING ACCEPTANCE OF QUALIFICATION STATEMENT, BOND, OATH OF OFFICE, AFFIDAVIT OF CURRENT DIRECTOR, AND ELECTION NOT TO DISCLOSE CERTAIN INFORMATION FOR NEWLY APPOINTED DIRECTOR

Mr. Roach reminded the Board of the current vacant Director position and noted Ms. Norris is asking to be considered for appointment. Ms. Norris advised of her qualification status and Mr. Roach noted that she was provided with the necessary documentation to be appointed as a Director. The Board congratulated Ms. Norris on her qualification, and then Director Allen moved to appoint Ms. Norris to the vacant director position subject to review by RMPLLC of the executed qualification documents. The motion was seconded by Director Owen, which carried unanimously.

CONSIDER ELECTION OF OFFICERS OF THE BOARD

The Board then considered reorganizing the officers of the Board and concurred with appointing Ms. Norris as a Director.

APPROVE AMENDMENT OF DISTRICT REGISTRATION FORM REGARDING NEWLY APPOINTED DIRECTOR

Mr. Roach advised the Board of the requirements to amend the District Registration Form noting the new Director appointment. Director Phillips made a motion to authorize amendment of the District Registration Form and the filing of the same with the TCEQ. Said motion was seconded by Director Austin and passed unanimously.

REVIEW CURRENT DISTRICT POLICIES

Mr. Roach informed the Board that the District's current license with Microsoft Office 365 is expiring at the end of May so all District electronic records will now be available through the Director Dropbox account. The Board concurred with not renewing the license.

ATTORNEY'S REPORT

Mr. Roach advised the Board that RMPLLC is monitoring several legislative matters that could affect the District and will prepare a legislative update for presentation once the 2019 legislative session ends.

EXECUTIVE SESSION

The Board did not enter executive session during the meeting.

DISCUSSION REGARDING PENDING OR FUTURE BUSINESS

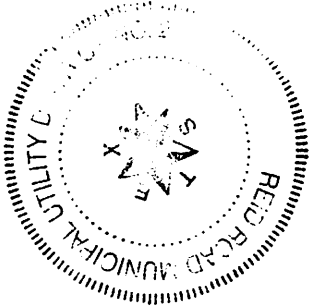
The Board discussed the upcoming AWBD annual conference.

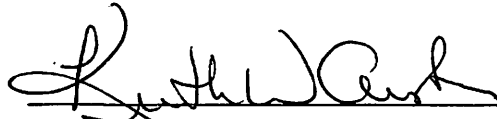
ADJOURNMENT

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

Approved on June 19, 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 Operations and Maintenance Report