

MINUTES  
MAYDE CREEK MUNICIPAL UTILITY DISTRICT

August 23, 2021

The Board of Directors (the "Board") of Mayde Creek Municipal Utility District (the "District") met in regular session by teleconference available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 23<sup>rd</sup> day of August, 2021, and the roll was called of the members of the Board being present by telephone:

Willie Jo Reynolds	President
Jorge Diaz	Vice President
Betty Mancía Alvarenga	Secretary
Cyrus Dumas	Director
Jessica Graham	Director

and all of the above were present, thus constituting a quorum.

Also attending all or part of the teleconference were: Deputy Jimmy Satterfield of the Harris County Sheriff's office; Bob Manning of Boston Fern; Michael Murr of Murr Incorporated; Kristen Scott of Bob Leared Interests ("BLI"); Claudia Redden of Claudia Redden & Associates; Bart Downum of Environmental Development Partners, LLC; Teague Harris and Kelli Wilkinson of IDS Engineering Group ("IDS"); Tonie Pettit, building manager; Craig Rathmann of Rathmann & Associates, L.P.; and Angie Lutz and Arlene Catalan of Allen Boone Humphries Robinson, LLP ("ABHR").

Ms. Lutz reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at [www.districtdirectory.org/agendapackets/maydecreekmud](http://www.districtdirectory.org/agendapackets/maydecreekmud).

#### PUBLIC COMMENTS

Director Reynolds offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Reynolds moved to the next agenda item.

#### MINUTES

The Board considered approving the minutes of the July 26, 2021, regular meeting and the July 31, 2021, special meeting. After review and discussion, Director Dumas moved to approve the minutes of the June 28, 2021, regular meeting and the July

31, 2021, special meeting. Director Graham seconded the motion, which passed unanimously.

#### SECURITY REPORT

Deputy Satterfield presented and reviewed the security report, a copy of which is attached. Discussion ensued regarding the reporting of graffiti in the District. After discussion, Director Dumas moved to accept the security report. Director Graham seconded the motion, which passed unanimously.

#### UPDATE ON INSTALLATION AND MONITORING OF CAMERAS

Ms. Lutz reported that the Service agreement between iTech Monitoring and the District has been finalized. Director Dumas stated that installation of the video surveillance will commence soon.

Mr. Murr reported that one of the poles previously installed by Advantage Security Integration for video surveillance has fallen on the fence of a District resident. The Board instructed Mr. Murr to remove the fallen pole and repair the resident's fence.

#### REPORT ON LANDSCAPE MAINTENANCE

Mr. Manning reported on landscape maintenance in the District. Discussion ensued regarding four trees damaged by Winter Storm Uri. After discussion, Director Dumas moved to: (1) accept the landscape maintenance report; and (2) authorize the removal of the damaged trees. Director Diaz seconded the motion, which passed unanimously.

#### PARK AND TRAIL REPORT, INCLUDING PARK AND BUILDING MAINTENANCE; EXERCISE EQUIPMENT

Mr. Murr presented and reviewed the Park Maintenance Report, a copy of which is attached.

Mr. Murr inquired if the Board was interested in receiving trees from Trees for Houston. He stated that the cost to plant the trees is estimated to be \$20.00-per tree.

Mr. Murr reported the District's new trail signs are ready to be ordered, pending final authorization by Director Graham.

Mr. Murr requested authorization to work with IDS to survey the District's detentions. He stated that he would prepare a proposal to desilt or re-grade the detentions subsequent to the findings of the surveying.



Mr. Murr reported that the pea pebble in the fall-zone of the District's playground needs to be replenished.

Mr. Murr presented and reviewed a cost estimate for exercise equipment, at a cost of \$52,000.00, a copy of which can be found in the Park Maintenance Report. He recommended that the District use exercise equipment that is stationary as it lasts longer. Mr. Murr stated that the cost of the exercise equipment has increased due to the increase on the price of steel. Discussion ensued. The Board deferred action on the matter.

After review and discussion, Director Diaz moved to: (1) accept the landscape maintenance report; (2) authorize Mr. Murr to request trees from Trees for Houston and plant said trees in the District at a cost not to exceed \$600.00; (3) authorize Mr. Murr to work with IDS on the surveying of the District's detentions; and (4) approve the replenishment of the pea pebble in the fall zone of the District's playground at a cost not to exceed \$3,000.00. Director Alvarenga seconded the motion, which passed unanimously.

#### AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END AUGUST 31, 2021

The Board received and reviewed letters from McCall, Gibson, Swedlund, Barfoot, PLLC, ("McCall Gibson") copies of which are attached, regarding preparation of the District's audit for the fiscal year ending August 31, 2021. Ms. Lutz stated that the cost for preparing the District's audit will range from \$19,250 to \$20,050 and that the cost for preparing the audit for the joint wastewater treatment plant will range from \$6,000 to \$7,000. After review and discussion, Director Graham moved to authorize McCall Gibson to prepare the audits for the fiscal year ending August 31, 2021. Director Dumas seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION

Ms. Scott reviewed the tax assessor/collector's report, including a list of bills submitted for payment and list of delinquent taxpayers, a copy of which is attached. After review and discussion, Director Graham moved to approve the tax assessor collector's report and authorize payment of the bills submitted. Director Dumas seconded the motion, which passed unanimously.

#### TRANSPARENCY REQUIREMENTS PURSUANT TO SECTION 2051.202, TEXAS GOVERNMENT CODE

Ms. Lutz discussed recent legislation enacting Section 2051.202, Texas Government Code, which requires certain special purpose districts to post or cause to be posted additional information on a website maintained by or accessible to the District. She said the new requirements apply to districts that levy a property tax, are

required to prepare an annual audit, and have a population of 500 or more as of the beginning of the most recent fiscal year. Ms. Lutz reviewed a summary of the new requirements, a copy of which is attached.

The Board discussed the applicability of the new posting requirements to the District and the possibility of expanding the website used by the District for compliance with previously-enacted transparency requirements. Ms. Scott discussed the services currently provided by BLI to implement existing transparency requirements, including ensuring that information posted on the website is accurate and current. She presented a proposed amendment to the District's contract with BLI to incorporate the new posting requirements on the existing website.

After review and discussion, Director Graham moved to approve the amendment to the contract between the District and BLI as presented and direct that the amendment be filed appropriately and retained in the District's official records. Director Dumas seconded the motion, which passed unanimously.

#### DELINQUENT TAX MATTERS

The Board reviewed the delinquent tax report from Perdue, Brandon, Fielder, Collins and Mott, L.L.P. ("Perdue Brandon"), a copy of which is attached. After review and discussion, Director Graham moved to authorize moving certain personal property accounts to the uncollectable roll. Director Dumas seconded the motion, which passed unanimously.

#### INSURANCE

Ms. Lutz reviewed with the Board the District's insurance proposal from Arthur Gallagher Insurance, a copy of which is attached, including the general liability, property, boiler and machinery, directors and officers' liability, workers compensation, business travel accident, and director and consultant bond insurance. After review and discussion, Director Dumas moved to approve the insurance proposal from Arthur Gallagher Insurance and directed that the proposal be filed appropriately and retained in the District's records. Director Graham seconded the motion, which passed by unanimous vote.

#### REGIONAL WASTEWATER TREATMENT PLANT ("WWTP") FINANCIAL AND BOOKKEEPING MATTERS, AND PAYMENT OF THE BILLS AND REVIEW OF INVESTMENTS

The Board reviewed the regional WWTP bookkeeper's report, a copy of which is attached, and the bills submitted for payment. The Board then reviewed the proposed budget for the fiscal year end August 31, 2022, regional WWTP account, a copy of which is attached in the regional WWTP bookkeeper's report.



After review and discussion, Director Dumas moved to: (1) accept the regional WWTP bookkeeper's report and the bills submitted for payment; and (2) adopt the regional WWTP budget for fiscal year end August 31, 2022. Director Graham seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING

Ms. Redden presented and reviewed the bookkeeper's report, a copy of which is attached, and the bills submitted for payment. Additionally, she reviewed the proposed budgets for the fiscal year end August 31, 2022 operating account, a copy of which is attached.

After review and discussion, Director Graham moved to approve: (1) the bookkeeper's report, and the checks presented for payment; and (2) adopt the operating account budget for fiscal year end August 31, 2022. Director Dumas seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES

Mr. Downum presented and reviewed the Operator's Report, a copy of which is attached, including system repairs and maintenance. He reported on pending and completed repairs and improvements to the District's water and sanitary sewer systems.

Mr. Downum presented a customer appeal from a District resident located on 19510 Lazy Valley Drive. He reported that the customer is disputing fees and usage added to their account after their tenant moved out. Discussion ensued.

Mr. Downum stated that Director Alvarenga had reported an earthy smell and taste coming from her water. He said that EDP looked into the matter and that the West Harris County Water Authority responded that the sprouting of algae this time of the year in the surface water is responsible for the earthy smell and taste of the water.

After review and discussion, Director Dumas moved to: (1) approve the operator's report; and (2) deny the 19510 Lazy Valley Drive customer appeal. Director Graham seconded the motion, which passed unanimously.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

The Board reviewed the list of delinquent accounts. Mr. Downum informed the Board that the residents on the termination list were delinquent in payment of their utility bills and had been given written notification prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct the utility service bill and show reason why utility services should not be terminated for reason of

nonpayment. The Board conducted a hearing regarding water and sewer service termination. Following review and discussion, Director Dumas moved that, because the customers on the list were not present at the meeting, nor had presented any written statement on the matter, all utility services should be terminated, if their utility bills are not paid in accordance with the District's Amended Rate Order. The motion was seconded by Director Graham, which passed unanimously.

#### ENGINEERING MATTERS

Mr. Harris reviewed the engineering report, a copy of which is attached.

#### REGIONAL WASTEWATER TREATMENT PLANT ("WWTP") REHABILITATION

Mr. Harris updated the Board regarding construction of the Regional WWTP rehabilitation project (the "Project") and reviewed and recommended approval of Pay Estimate No. 16 in the amount of \$115,819.00, payable to JTR Constructors, Inc. He reviewed images of the Project.

Mr. Harris reported on the renewal application of the District's Wastewater Discharge Permit with the TCEQ.

Mr. Harris gave an update on the Regional WWTP Advisory Committee (the "Committee") meeting held on August 5, 2020.

Mr. Harris stated that IDS is updating and extending the District's WWTP Capital Improvement Plan (the "Plan"). He anticipates the Plan will be ready for the next Board meeting.

Mr. Harris said that IDS is preparing a cost estimate for the cleaning and televising of the Regional Trunk Sewer Lines.

Mr. Harris said that IDS requested an update from Harris County Flood Control District regarding the Mayde Creek channel maintenance and improvement project.

#### SITE DEVELOPMENT REQUESTS AND UTILITY COMMITMENT LETTERS

Mr. Harris gave an update on the 2.03 acre F&B Properties, LLC tract located at Brannan Drive and Clay Road. He said that a Water and Sewer Utility Commitment Letter with Newcastle Investment Group has been prepared.

#### DEEDS AND EASEMENTS

There were no deeds or easements presented to the Board.



## ASSET MANAGEMENT PLAN

There was no discussion on this matter.

After review and discussion, Director Reynolds moved to: (1) approve the engineer's report; and (2) Pay Estimate No. 16 in the amount of \$115,819.34. Director Graham seconded the motion, which passed unanimously.

## BUILDING MANAGER'S REPORT AND BUILDING MATTERS

Ms. Pettit discussed the Building Manager's Report, a copy of which is attached. After discussion, Director Dumas moved to accept the Building Manager's Report. Director Graham seconded the motion, which passed unanimously.

## WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

## REPORTS FROM DIRECTORS

Director Reynolds praised IDS and EDP for their work on the Project.

## GARBAGE SERVICES

There was no discussion on this matter.

## AGENDA ITEMS FOR NEXT BOARD MEETING

Ms. Lutz stated the next Committee will be held on September 2, 2021, via teleconference.

Ms. Lutz said that the next Board meeting is scheduled to be held on September 27, 2021 in-person. She updated the Board on the status of the Governor's orders pertaining to the Open Meetings Act and the Board discussed options for in-person attendance at upcoming meetings.

## DISCUSS WATER CODE TAX PROVISIONS AND 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2021 tax rate. Ms. Lutz discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine

the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2021 tax year.

Mr. Rathmann distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2021 water, sewer, and drainage debt service tax rate of \$0.36 per \$100 of assessed valuation, based on the District's initial 2021 certified value of \$282,388,693, plus \$42,347,045 of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Rathmann discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Dumas moved to: (1) adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed district for the 2021 tax year, pursuant to Section 49.23602 for Developed, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for September 27, 2021; and (3) authorize the tax assessor/collector to publish notice in *The Katy Times* of the District's meeting on September 27, 2021, to set the proposed 2021 total tax rate of \$0.80 per \$100 of assessed valuation, with \$0.36 allocated for debt service on water, sewer, and drainage bonds and \$0.44 allocated for operations and maintenance. Director Diaz seconded the motion, which passed unanimously.

There being no further business to come before the Board, Director Dumas moved to adjourn the meeting. Director Graham seconded the motion, which passed unanimously.



*B. Rathmann*

Secretary, Board of Directors



ATTACHMENTS TO MINUTES

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