

MINUTES
CHELFORD ONE MUNICIPAL UTILITY DISTRICT
OF HARRIS COUNTY, TEXAS

September 20, 2021

The Board of Directors (the "Board") of Chelford One Municipal Utility District of Harris County, Texas (the "District") met in regular session, open to the public, on the 20th day of September, 2021, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas outside the boundaries of the District, and the roll was called of the members of the Board:

Michael A. Martin	President
Nicholas H. Alwine	Vice President
Dr. Winetta Billings	Secretary
Connie Fowler	Assistant Vice President
Eston G. Hupp	Assistant Secretary

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

Also present at the meeting were: Jade Collins of Off Cinco; Andrew Dunn, Matt Dunn, and Thomas Dunn of On-Site Protection LLC ("On-Site Protection"); Brenda McLaughlin of Bob Leared Interests, Inc.; Carlous Smith of Si Environmental, LLC ("Si"); Taylor Reed of Vogler & Spencer Engineering Inc.; Arturo Cornejo of Municipal Accounts & Consulting, L.P.; Ben Terry of Masterson Advisors LLC; and Sandra Staine and Arlene Catalan of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

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

MINUTES

The Board considered approving the minutes of the August 16, 2021, regular meeting, and the August 3, 2021, August 9, 2020, and August 30, 2021, special meetings. After review and discussion, Director Billings moved to approve the minutes of the August 16, 2021, regular meeting, as amended, and the August 3, 2021, August 9, 2021, and August 30, 2021, special meetings, as presented. Director Hupp seconded the motion, which was approved by unanimous vote.

AUTHORIZE AUDITOR TO CONDUCT AUDIT

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("MGSB") to prepare the District's audit for the fiscal year ending September 30, 2021. After discussion, Director Alwine moved to authorize MGSB to prepare the District's audit for the fiscal year ending September 30, 2021. The motion was seconded by Director Hupp, which was approved by unanimous vote.

DISCUSS WEBSITE PROPOSALS AND TAKE APPROPRIATE ACTION

Ms. Collins reviewed the proposal from Off Cinco to the Board, a copy of which is attached. She responded to Board member's questions, comments, and requests regarding website matters.

The Board discussed the additional services by Off Cinco, including a logo and business card designs. After discussion, the Board requested Off Cinco present a proposal for business cards at the following Board meeting.

After review and discussion, Director Hupp moved to: (1) approve the proposal from Off Cinco, reflecting the \$1,500.00 fixed layout development fee, and the \$250.00 per month flat rate updates and required document monitoring; and (2) authorize Off Cinco to design logo for the District, for a one-time cost of \$300.00. Director Fowler seconded the motion, which was approved by unanimous vote.

DISTRICT SECURITY MATTERS

Mr. Matt Dunn reviewed the District's monthly security report, a copy of which is attached. He discussed a sampling of security officers' end-of-shift reports. Mr. Matt Dunn and Mr. Andrew Dunn responded to Board members' questions, comments, and requests regarding security matters.

Director Hupp reported that a small white van continues to park across the street from Petrosky Elementary School. Mr. Matt Dunn said that On-Site Protection will continue to monitor the vehicle.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented the District's monthly tax assessor/collector's report, including the checks presented for payment and a list of delinquent taxpayers. A copy of the tax assessor/collector's report is attached. She stated that as of August 31, 2021, 98.1% of the District's 2020 taxes were collected.

Following review and discussion, Director Fowler moved to approve the tax assessor/collector's report and authorize payment of checks drawn on the District's tax account. The motion was seconded by Director Hupp, which was approved by unanimous vote.

DISCUSS 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. Staine 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. Terry 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 \$0.315 per \$100 of assessed valuation, based on the District's initial 2021 certified value of \$264,290,679, which includes 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. Terry discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Alwine 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, 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 October 18, 2021; and (3) authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of the District's meeting on October 18, 2021, to set the proposed 2021 total tax rate of \$0.46 per \$100 of assessed valuation, with \$0.315 allocated for debt service on water, sewer, and drainage bonds, and \$0.145 allocated for operations and maintenance. Director Fowler seconded the motion, which passed unanimously.

HARRIS COUNTY APPRAISAL DISTRICT ("HCAD") BOARD ELECTION

Ms. Staine explained the procedures for nominating a candidate for the HCAD Board of Directors Election. Following discussion, the Board concurred not to nominate a candidate for the HCAD Board of Directors election.

OPERATIONS REPORT

Mr. Smith presented the District's monthly operations report, including operation charges and copies of the connection report, daily production report, accountability report, customer billing report, and the discharge monitoring report for

the sewer plant. A copy of the operations report is attached. Mr. Smith reported that the water accountability for the month was 95.14% and discussed repairs performed for the Mission Bend Integrated Water System ("MBIWS").

Mr. Smith reviewed repairs and maintenance performed for the District's water distribution, sanitary sewer collection, and water plant facilities during the month, including annual fire hydrant inspection and tap line repairs. Mr. Smith responded to Board members' questions regarding repairs made to the water distribution, sanitary sewer collection, and water plant facilities.

Mr. Smith presented and reviewed a chart of recommended fee increases. He responded to Board member's questions and comments.

After review and discussion, Director Alwine moved to: (1) approve the operations report; and (2) amend the District Rate Order to reflect Si's fee increase recommendations. Director Fowler seconded the motion, which was approved by unanimous vote.

HEARING ON TERMINATION OF UTILITY SERVICE

The Board conducted a hearing on termination of utility service. Mr. Smith informed the Board that the customers included on the termination list were delinquent in payment of their water and sewer bills and were given written notification in accordance with the District's Rate Order prior to this meeting of the opportunity to appear before the Board to explain, contest, or correct their utility service bill and to show reason for nonpayment. After review and discussion, Director Alwine moved to terminate utility service to all customers included on the termination list in accordance with the District's Rate Order if their utility bills are not paid because said customers were neither present at the meeting nor had presented any written statement on the matter, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Fowler seconded the motion, which was approved by unanimous vote.

ENGINEER'S REPORT

Mr. Reed presented and reviewed the engineer's report, a copy of which is attached.

Mr. Reed updated the Board regarding the construction of Water Well No. 2. He reported VSE received notice from the Texas Commission on Environmental Quality ("TCEQ") denying use of the water well due to corrosivity. Mr. Reed stated that VSE is working with a treatment specialist to get the issue resolved.

Mr. Reed reported on the convenience store located at 15030 Bellaire Boulevard.

Mr. Reed said that Bond Application No. 8 has been declared administratively complete by the TCEQ.

Mr. Reed reported on the construction of the washroom at Water Well No. 2 and stated construction is anticipated to be complete by the end of the month.

Mr. Reed updated the Board regarding construction of the washroom at Water Well No. 2 and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$11,700.00, payable to C3 Constructors. *the state construction is anticipated to be complete by the end of the month.*

Mr. Reed noted that the street sweeping along Bellaire Boulevard was conducted in August and the next is anticipated to be scheduled in December.

After review and discussion, Director Billings moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 1 in the amount of \$11,700.00. Director Fowler seconded the motion, which was approved by unanimous vote.

MISSION BEND INTEGRATED WATER SYSTEM ("MBIWS") MATTERS

Mr. Reed updated the Board on MBIWS matters.

CHELFORD CITY REGIONAL WASTEWATER TREATMENT PLANT ("WWTP") MATTERS

Mr. Reed updated the Board on Chelford City Regional WWTP matters.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

The Board discussed West Harris County Regional Water Authority matters.

MISSION BEND GREENBELT ASSOCIATION MATTERS

The Board discussed Mission Bend Greenbelt Association matters.

GREATER MISSION BEND AREA COUNCIL

There was no report on Greater Mission Bend Area Council matters.

BOOKKEEPER'S REPORT

Mr. Cornejo presented the bookkeeper's report, including a quarterly investment report, and invoices presented for payment. A copy of the bookkeeper's report is attached. After review and discussion, Director Billings moved to approve the bookkeeper's report and quarterly investment report, including payment of the invoices as presented. Director Fowler seconded the motion, which was approved by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2022

Mr. Cornejo presented a draft operating budget for fiscal year ending September 30, 2022, a copy of which is included in the bookkeeper’s report. The Board discussed the draft budget for fiscal year end September 30, 2022. Mr. Cornejo stated a new line item will be added for the District website. After review and discussion, Director Billings moved to adopt the budget for fiscal year ending September 30, 2022, as discussed. Director Fowler seconded the motion, which was approved by unanimous vote.

DISCUSS COMMUNITY MUD EDUCATION EVENT AND TAKE APPROPRIATE ACTION

The Board discussed budget and planning matters relating to the Community MUD education event.

There being no other business presented to the Board, the meeting was adjourned.



Dorinda Billings
Secretary, Board of Directors

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