

MINUTES
CHELFORD ONE MUNICIPAL UTILITY DISTRICT
OF HARRIS COUNTY, TEXAS

July 17, 2023

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 17th day of July, 2023, 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, except Director Hupp, thus constituting a quorum.

Also present at the meeting were: Carl Sandin of Perdue, Brandon, Fielder, Collins and Mott, L.L.P. ("Perdue Brandon"); Matt Dunn of On-Site Protection LLC ("On-Site Protection"); Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Carlous Smith of Si Environmental, LLC ("Si Enviro"); Taylor Reed of Vogler & Spencer Engineering Inc. ("VSE"); Mary Ann Mihills of Municipal Accounts & Consulting, L.P. ("MAC"); and Sandra Staine and Arlene Catalan of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board offered any members of the public the opportunity to make a public comment. There being no members of the public requesting to make a public comment, the Board moved to the next agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Sandin discussed the procedures of terminating utility services for delinquent tax accounts and services provided by Perdue Brandon. He responded to the Board members' questions and comments.

MINUTES

The Board considered approving the minutes of the June 19, 2023, regular meeting, and the June 6, 2023 Harris County Precinct No. 4 Places 4 People Workshop special meeting, the June 6, 2023 Mission Bend Greenbelt Association special meeting, and the June 12, 2023 Chelford City Regional Wastewater Treatment Plant special

meeting. After review and discussion, Director Billings moved to approve the minutes of the June 19, 2023, regular meeting, the June 6, 2023 Harris County Precinct No. 4 Places 4 People Workshop special meeting, the June 6, 2023 Mission Bend Greenbelt Association special meeting, and the June 12, 2023 Chelford City Regional Wastewater Treatment Plant special meeting, as presented. Director Fowler seconded the motion, which was approved by unanimous vote.

DISTRICT SECURITY MATTERS

Mr. Dunn reviewed the District's monthly security report, a copy of which is attached. He responded to Board members' questions, comments, and requests regarding security matters.

Director Martin stated that residents in the District have reported being verbally assaulted by individuals thought to be living in group homes in the District. Discussion ensued regarding identifying group homes in the District. Ms. McLaughlin stated that BLI would prepare a report on properties owned by the state of Texas or a corporation for On-Site Protection.

The Board requested that On-Site Protection focus on illegal parking in the District when patrolling.

TAX ASSESSOR/COLLECTOR'S REPORT (CONTINUED)

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 June 30, 2023, 97.7% of the District's 2022 taxes were collected.

Director Billings inquired regarding a commercial account that is no longer listed on the delinquent tax report. Ms. Mihills discussed the procedures for issuing a reimbursement upon request, if appropriate.

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 Alwine and was approved by unanimous vote.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

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 2023 tax year.

Following review and discussion, Director Fowler moved to establish that the District is a Developed District for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 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. Director Alwine seconded the motion, which was approved by unanimous vote.

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 92.19% and discussed repairs performed for the Mission Bend Integrated Water System.

Mr. Smith reviewed repairs and maintenance performed for the District's water distribution system, sanitary sewer collection system, and water plant facilities during the month, including two tapline repairs located on 15403 El Padre Drive and 6930 Addicks Clodine Road, respectively. Mr. Smith responded to Board members' questions regarding repairs made to the water distribution system, sanitary sewer collection system, and water plant facilities.

Mr. Smith presented and reviewed a preventative maintenance schedule spreadsheet (the "Spreadsheet") for reoccurring maintenance in the District, a copy of which is attached to the operations report. The Board requested the Spreadsheet include the service completion date.

The Board discussed the termination list.

After review and discussion, Director Billings moved to approve the operations report. 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 Billings 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 on the Water Line Rehabilitation serving Mission Bend, Section 3. Director Billings reported three uncovered bore pits in the District. Mr. Reed stated that VSE would investigate the matter and request that the contractor quicken the process to fill the remaining bore pits.

Mr. Reed updated the Board regarding Bellaire Sanitary Sewer Replacement and reviewed and recommended approval of Pay Estimate No. 2 and Final in the amount of \$7,363.85, payable to T Construction, LLC. He also presented a Certificate of Completion and Acceptance and recommended the Board accept the facilities.

Mr. Reed updated the Board on the Water Line Rehabilitation to serve Los Patios Section 1, Addick Clodine Road and Winkleman Road.

Mr. Reed updated the Board on the water plant driveway extension.

Mr. Reed requested the Board authorize VSE to begin design of the Water Plant Chloramine Conversion. He stated that the current anticipated cost of the project is \$500,000 and noted that some or all work will be eligible for reimbursement by the West Harris County Regional Water Authority ("WHCRWA"). Director Billings requested more information on the criteria the WHCRWA determines what qualifies to be reimbursable.

The Board discussed the Harris County Precinct No. 4's Call for Projects timeline.

Mr. Reed reported that VSE is putting together a report for the use of surplus funds.

After review and discussion, Director Fowler moved, based on the engineer's recommendation, to: (1) approve the engineers report; (2) approve Pay Estimate No. 2 and Final in the amount of \$7,363.85, and to accept the facilities; and (3) authorize VSE to begin design of Water Plant Chloramine Conversion. Director Alwine 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

Mr. Reed updated the Board on WHCRWA matters.

MISSION BEND GREENBELT ASSOCIATION MATTERS

The Board discussed Mission Bend Greenbelt Association matters.

The Board inquired regarding Harris County's (the "County") negotiations with Flock Safety ("Flock") on an interlocal agreement and installation of cameras. Mr. Dunn reported that negotiations between the County and Flock are ongoing. The Board directed On-Site Protection to request access of the footage of the cameras installed in the District.

GREATER MISSION BEND AREA COUNCIL

Director Martin and Director Billings gave a report on the Greater Mission Bend Area Council matters.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed the AWBD summer conference and related eligible expenses. The Board then considered authorizing attendance at the AWBD winter conference scheduled for January 19-20, 2024. After discussion, Director Alwine moved to approve eligible expenses associated with the AWBD summer conference and authorize attendance at the AWBD winter conference. Director Fowler seconded the motion, which passed unanimously.

DIRECTOR PER DIEMS

Ms. Staine stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

Directors Martin and Billings expressed their opposition to the new maximum amount for director fees per diem amount, in light of the fact that the annual fee cap of \$7,200 has not been raised accordingly. Discussion ensued.

After discussion, Director Martin moved to reject payment of directors' fees of office at the new maximum amount allowed by law, and requested an agenda item be added to the next monthly meeting to keep the per diem amount at the current amount of \$150.00. Director Billings seconded the motion, which was approved by unanimous vote.

BOOKKEEPER'S REPORT

Ms. Mihills presented the bookkeeper's report, including a quarterly investment report, and invoices presented for payment. A copy of the bookkeeper's report is attached.

Ms. Mihills stated that check no. 14998 to Director Hupp in the amount \$138.53, will be voided. She also requested approval of additional check no. 15031 to Director Billings in the amount of \$156.22.

Discussion ensued regarding certain invoices and the District's budget.

After review and discussion, Director Fowler moved to: (1) approve the bookkeeper's report and quarterly investment report, including payment of the invoices as presented and discussed; and (2) approve additional check no. 15031, as discussed. Director Alwine seconded the motion, which was approved by unanimous vote.

REPORT REGARDING LEGISLATIVE MATTERS

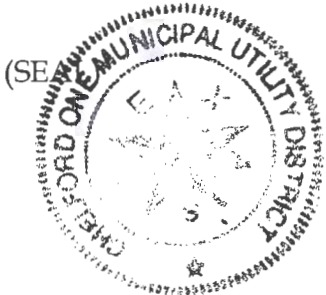
Ms. Staine reviewed the 2023 ABHR Capitol Report of the 88th Regular Session of the Texas Legislature. She summarized significant legislation applicable to municipal utility districts and responded to Board member's questions.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Staine reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Staine explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Harris County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Billings moved to authorize execution of the Amendment to

Information Form and to authorize filing with Harris County and the TCEQ. Director Fowler seconded the motion, which was approved by unanimous vote.

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



Kimberly Bell
Secretary, Board of Directors

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