

MINUTES
CHELFORD ONE MUNICIPAL UTILITY DISTRICT
OF HARRIS COUNTY, TEXAS

September 18, 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 18th day of September, 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, thus constituting a quorum.

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

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.

MINUTES

The Board considered approving the minutes of the August 21, 2023, regular meeting and the August 1, 2023, and August 14, 2023, special meetings. After review and discussion, Director Billings moved to approve the minutes of the August 21, 2023, regular meeting, as presented, and the August 1, 2023, and August 14, 2023, as presented. Director Alwine 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 responded to Board members' questions, comments, and requests regarding security matters.

Discussion ensued regarding the officers patrolling the District.

Director Billings stated that illegal parking continues to be an issue in the District and that she plans to send On-Site Protection a list of areas of concern. She then reported on additional areas of concern.

The Board requested a copy of the officers' most recent schedule.

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, 2023. After discussion, Director Billings moved to authorize MGSB to prepare the District's audit for the fiscal year ending September 30, 2023. The motion was seconded by Director Hupp, which was approved by unanimous vote.

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, 2023, 98.2% of the District's 2022 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 and was approved by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT TAX ACCOUNTS AND AUTHORIZE TERMINATION OF SERVICE

Mr. Sandin presented and reviewed the delinquent tax report from Perdue Brandon, a copy of which is attached. The Board discussed termination of water service to property with delinquent 2022 tax accounts. After review and discussion, Director Alwine moved to authorize Perdue Brandon to send a final notice in January 2024 to the remaining unpaid delinquent tax accounts listed on the above-mentioned report. Director Hupp seconded the motion, which was approved by unanimous vote.

The Board concurred to consider termination of water service to property with delinquent tax accounts, at the February 2024 regular meeting, if payment is not

received after a final notice is provided to the property owners and a water termination notice is placed on the door.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Ms. Moran distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.30 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$328,897,600. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Moran discussed the two-step process for setting the District's tax rate.

Discussion ensued regarding the possibility of a future bond election.

Following review and discussion, Director Fowler moved to: (1) set the public hearing date for October 16, 2023; and (2) authorize the tax assessor/collector to publish notice in the *Houston Chronicle* of the District's meeting on October 16, 2023, to set the proposed 2023 total tax rate of \$0.46 per \$100 of assessed valuation, with \$0.30 allocated for debt service on water, sewer, and drainage bonds and \$0.16 allocated for operations and maintenance. Director Alwine seconded the motion, which passed unanimously.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS CENTRAL APPRAISAL DISTRICT ("HCAD")

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 98.09% 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 four mainline repairs and the televising of the sanitary sewer line located on 6919 Escondido Drive. 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 for reoccurring maintenance in the District, a copy of which is attached to the operations report.

After review and discussion, Director Alwine 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 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 warned the Board there may be an increase of waterline breaks in the District caused by an oversaturation of the ground now that it is raining more regularly. He noted this is a normal occurrence after long periods of dry conditions.

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

Mr. Reed reported on an update of the geographic information system software and the benefits to the District.

Mr. Reed reported that VSE is working to update the District's 10-year Capital Improvement Plan.

Mr. Reed updated the Board regarding construction of the Water Line Rehabilitation serving Mission Bend Section 3.

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

Director Billings reported an elevated manhole located on Paladora Drive and Winkleman Drive. She requested VSE look into the matter.

Mr. Reed reported that he attended the Harris County Precinct No. 4's ("HCP 4") Call for Projects meeting on behalf of the District. He noted HCP 4 has yet to release information regarding when funding will be provided to the awarded entities.

Mr. Reed presented and reviewed a design mock-up of the proposed signage for posting at District construction projects. The Board discussed the proposed signage and information for posting.

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 WHCRWA matters.

MISSION BEND GREENBELT ASSOCIATION MATTERS

There was no discussion on Mission Bend Greenbelt Association matters.

GREATER MISSION BEND AREA COUNCIL

Directors Billings and Martin discussed Greater Mission Bend Area Council matters.

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 presented a draft operating budget for the fiscal year ending September 30, 2024, a copy of which is included in the bookkeeper's report. The Board discussed the draft budget for the fiscal year-end September 30, 2024.

After review and discussion, Director Hupp moved to: (1) approve the bookkeeper's report and quarterly investment report, including payment of the invoices as presented and discussed; and (2) adopt the budget for fiscal year ending September

30, 2024, as discussed. Director Fowler seconded the motion, which was approved by unanimous vote.

The Board discussed the current drought conditions. Mr. Reed and Mr. Smith responded to the Board members' questions and comments. Mr. Reed stated that it is inessential to implement any drought response measures under the District's Drought Contingency Plan at this time.

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



Janetta Bellis
Secretary, Board of Directors

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