

MINUTES OF THE
WATERWOOD MUNICIPAL UTILITY DISTRICT NO.1

August 23, 2024

The Board of Directors of the Waterwood Municipal Utility District No.1 of San Jacinto County, Texas, met in regular session, open to the, at the Waterwood Improvement Association building, inside the District on Friday August 23, 2024. The roll was called of the duly constituted officers and members of the Board, to-wit:

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|-----------------|----------------|
| Roy Knapp | President |
| Jeff Measamer | Vice President |
| John Dagleish | Secretary |
| Ed Kile | Director |
| Donald Marshall | Director |

1. Call to Order and Welcome Guests

Board members present were Roy Knapp, John Dagleish, Jeffrey Measamer, Ed Kile, and Donnie Marshall, thus constituting a quorum. Also, present were Juan Rojas, Dave Beving, Pat Zappa, Karon Murff, Cindy Beasley, Jamie Groskopf, Leslie Cook, Gina & Ed Cotter, Elizabeth & David Rossman, James “JJ” with B&D, Linda Brisbay, Cameron with Precision Utility, Debbie & Larry Sims, Manny Vadhar, Rob Davis, and Anita Treadway.

2. Approval of Consent Agenda Items

A. Minutes of the regular meeting of July 19, 2024.

Donnie Marshall made a motion to accept the minutes. John Dagleish seconded the motion. The motion carried unanimously.

B. Financial Report

Karon Murff gave the financial report.

Donnie Marshall made a motion to approve the financial report. John Dagleish seconded the motion. The motion carried unanimously.

C. Payment of Bills

Anita Treadway gave the report on payment of bills.

Manny Vadhar said that Rebel Contractors should be billed direct for \$8395.62 of the Precision invoice #5138. Precision is willing to wait until Rebel Contractors pays that portion of the invoice.

Donnie Marshall made a motion to approve the payment of bills with the exception of the Precision invoice # 5138.. John Dagleish seconded the motion. The motion carried unanimously.

D. Tax Collector Report

Anita Treadway gave the report.

John Dagleish made a motion to accept the Tax Collector Report. Ed Kile seconded the motion.

The motion carried unanimously.

3. Directors Matters

A .Discussion and/or authorize any appropriate action.

1. Review/Approve Budget

Karon Murff discussed the Budget. There are a few areas that the District are over budget just a little. There needs to be a budget for Tax collections.

2. Election Order to call election.

The Board considered adoption of a proposed Order Calling Directors Election. The Board noted that the terms of office of Directors Knapp, Dagleish, and Marshall will expire in November, 2024, and that a Directors election will be held on November 5, 2024, provided that the election is contested as determined on August 23, 2024. Upon motion by Director Marshall, seconded by Director Measmer, and after full discussion, the Board voted unanimously to adopt the Order Calling Directors Election.

Approve Joint Election Agreement and Contract for Election Services

The next item on the agenda was to approve a Joint Agreement and Contract for Election Services with San Jacinto County. The Board reviewed the proposed Agreement, which outlines the terms and conditions for conducting a joint election with San Jacinto County. Upon motion by Director Measmer, seconded by Director Marshall, and after full discussion, the Board voted unanimously to approve the Joint Agreement and Contract for Election Services with San Jacinto County.

Appoint Agent for Election Matters

The next item on the agenda was to appoint an agent for election matters. The Board noted that, pursuant to the Texas Election Code, the District may appoint an agent to receive, maintain, and make available election records for the November 5, 2024, Directors election, and that the agent should undertake such duties pursuant to regular office hours for 50 days before and 40 days after the election. Upon motion by Director _____, seconded by Director _____, and after full discussion, the Board voted unanimously to appoint SKLaw as said agent for the District in this regard.

3. Tax Matters

a. Review Tax Rate Study (RBC Capital Markets, LLC)

Ms. Cook presented to the Board the tax rate study for 2022, recommending that the District levy a maximum rate of \$0.84, consisting of \$0.34 for debt service, and \$0.50 for maintenance and operations. There was a motion made by Donnie Marshall to adopt the rate of .50 cents for M & O and .26 for the I & S. Roy Knapp seconded the motion. The motion carried unanimously.

b. Confirm Tax Status type as a developing water district

The Board discussed the tax hearing notice requirements of Section 49.236 of the Water Code and the ongoing related characterization of the District as a "developing district". The Board noted the continued minimal completion of District facilities, serving only a small fraction of projected build-out. Upon motion by Director Roy Knapp, seconded by Director John Dagleish, and after full discussion, the Board voted unanimously to confirm the District's continued tax status/type as a "developing district".

c. Authorize Publication of Notice of Public Hearing on Tax Rate

The next item on the agenda was to authorize the publication of a Notice of Public Hearing on Tax Rate. Upon motion by Director Donnie Marshall, seconded by Director Ed Kile, and after full discussion, the Board voted unanimously to authorize the publication of the Notice of Public Hearing on Tax Rate, scheduled for September 20th at 3:00 p.m., and to publish a proposed total tax rate for 2024 of \$0.76 per \$100 of assessed valuation (consisting of \$0.26 per \$100 of assessed valuation for debt service, and \$0.50 per \$100 of assessed valuation for maintenance and operations), along with a tax rate and levy analysis as required by Chapter 49 of the Water Code.

4. Bass Boat Village request to address drainage.

Gina Cotter discussed the drainage situation at Bass Boat Village. The homeowners were told that a possibility of putting a drain in front of Jamie Bowers unit would help alleviate some of the problems with the drainage. There are several units that have been flooded when there are heavy rains. The MUD had a camera run through the drain pipe, that goes out on George Russell's property. Elizabeth & David Rossman said that something needs to be done because their units has flooded several times.

There needs to be a "definite legal description of the easements" at Bass Boat Village.

Director Ed Kile said that he will go out there to see if he can come up with a solution that might help with the flooding. Also, there will need to be several bids to get a cost.

5. Discuss/Approve new wordage for Rate Order

a. Wordage for grinder pumps that are used by two customers

There needs to be an agreement between the 2 neighbors that they will share responsibility. Ed Kile made a motion to wait until the September meeting to discuss this. John Dagleish seconded the motion. The motion carried unanimously.

b. Wording for disconnections for past due customers.

There was discussion about past due customers.

Ed Kile made a motion to disconnect a customer if they are late :

10 days after due date they should receive a past due letter and a door hanger

30 days late they receive a disconnect letter saying they have 3 days to bring their account current

on the 3rd day disconnect and lock meter.

Also, customers who are on a special payment plan will have 30 days after the due date.

There will be NO reconnect until all fees are paid in full.

Roy Knapp seconded the motion. The motion carried unanimously.

6. Waive late fees for the month due to the hurricane.

Donnie Marshall made a motion to waive the late fees for July. Roy Knapp seconded the motion. The motion carried unanimously.

4. Operations & Maintenance

A. Receive general report – Precision Utility

Manny Vadhar/Juan gave the Precision Utility report.

Jeff Measmer made a motion to authorize Juan Rojas, with Precision Utility, to file for FEMA money. John Dagleish second the motion. The motion carried unanimously.

See below:

Action Items

1. Hurricane Beryl – FEMA Claim

a. Request Approval to initiate Claim with FEMA

b. May Require some Director Attendance at FEMA Meetings

2. FRIDAY, AUGUST 23, 2024 Waterwood MUD No. 1 Water Billing – Rebill Issue.

a. Due to a Software Glitch, some billing was issued incorrectly.

b. As of 08/20/2024 all issues have been resolved and Closing Reports have been sent out.

c. All related correction expenses have been absorbed by Precision Utility, LLC

3. Lower Trinity Groundwater Conservation District

a. Second Quarter Invoice - April 24 – June 24 \$275.84

4. Waterwood MUD #1 - VFD Collections & Reporting

a. Correspondence

5. Write Off List

6. Payment Plan List

7. Delinquent List

8. Sample Bill

5. Consider other matters that may come before the Board.

John Dagleish said that the meters are not being read. There are some with a 0 reading. Get Cindy to check and see if the customer is using any water. Maybe a report can be pulled showing the 0 usage accounts. Rob Davis is here and has been having problems with his readings. He has asked that his bill be averaged because of the irregular readings. John Dagleish made a motion to normalize his bill. (\$69.28) Donnie Marshall seconded the motion. The motion carried unanimously.

Manny Vadhar said they will start using paper to write the readings down each month, instead of their computer tablet.

Roy Knapp questioned why the VFD amounts were not being sent in each month.

6. Public Comments

Jamie Groskopf asked about the tax rate.

7. Adjourn

John Dagleish made a motion to adjourn. Donnie Marshall seconded the motion. The motion carried unanimously.

John Dagleish, Secretary

