

MINUTES OF SPECIAL MEETING
WATERWOOD MUNICIPAL UTILITY DISTRICT NO.1

The Board of Directors of the Waterwood Municipal Utility District No.1 of San Jacinto County, Texas, met in a special session, open to the public, at the Waterwood Improvement Association building, inside the District on Friday, January 5, 2024. The roll was called of the duly constituted officers and members of the Board, to-wit:

| | |
|-----------------|----------------|
| Roy Knapp | President |
| Jeff Measmer | Vice President |
| John Dagleish | Secretary |
| Donald Marshall | Director |

1. Call to Order

Roy Knapp called the meeting to order at 10:20. Board members present were Roy Knapp, John Dagleish, Donnie Marshall, and Jeff Measmer thus constituting a quorum. Also, present were Karon Murff, Pat Zappa, Melanie Cook, Jamie Groskopf, Larry Maas, Manny Vadmar, and Anita Treadway.

2. MUD and WIA Board members to discuss concerns with County Commissioner, Mark Nettuno

Mark Nettuno was unable to attend.

3. Budget Order Workshop

Karon Murff discussed the Budget, Bonds, Loans, etc.

Jeff Measmer discussed the following details about a three-year budget:

1. Expenses
 - a. New well or Surface Water Plant
 - b. Replace approximately 130 water meters.
 - c. Repairs at Spruce Lane dual culverts
 - d. Lift stations deferred maintenance/repairs.
 - e. Water supply line replacement (over a 5-to-8-year period)
 - f. Regular Maintenance and Operations. (using 2023 actuals +3.5% inflation)
2. Income
 - a. Current Tax rates from Tax Roll Report for 2024
 - b. Current water rates, sewer rates
Increase residential water and sewer tap fees by \$400 for water and \$400 for sewer. (applies to long and short taps) Add rate "to be determined" for multifamily and commercial after plans area reviewed. Assume 10 builds/year. Increase road cuts fees to accurately reflect road repair cost.
3. Apply standby fees of \$300/yr. to undeveloped lots (from 2023 SJC Certified Totals)
Stand-by fees discussion.

4. Bond Issue/TCEQ Loan Net proceeds – Could be used for either new well or lift stations. Lift Station repair plan cost discussion.
5. Jeff Measamer made a motion to get him information relating to applications for standby fees. Donnie Marshall seconded the motion. The motion carried unanimously.

Jamie Groskopf discussed:

167 lots in Park Forest

600 lots owned by WW Partners

ESD created for just Waterwood.

Mud would have certain criteria for builders.

4. Rate Order Workshop

Manny will add language and fees for highlighted areas in his update the rate order. This will be discussed at a later meeting.

Standby rates, billing for standby rates (monthly, quarterly, or yearly)

Bond or TCEQ loan

Grinder pumps will not be covered by the MUD District. Jeff Measamer made a motion for the grinder pumps to become the resident/occupants' responsibility. Donnie Marshall seconded the motion. The motion carried unanimously.

Manny will add a meter charge to new construction.

Discussion about adding VFD contribution up to \$3.00.

Miscellaneous Discussion

Discussion about Chris Ward meter reading:

Jeff Measamer made a motion to have our lawyer send a letter to the owner to require him to give access to the meter readers to read the meter since it is located within the fenced area.

Donnie Marshall seconded the motion. The motion passed unanimously.

Thank you to Jeff Measamer, Karon Murff, Board members, Precision Utility, and others for all that they contributed to this workshop.

3. Adjourn

A motion to adjourn was made by John Dagleish. Jeff Measamer seconded the motion. The motion carried unanimously.

John Dagleish, Secretary