MASON CREEK UTILITY DISTRICT

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MINUTES
Meeting of the Board of Directors

The Board of Directors of Mason Creek Utility District of Harris County, Texas, convened in a **scheduled regular meeting** at 851 Dominion. Katy, Texas 77450, on **September 11, 2019** at 7:30 P.M., and the roll was called of the duly elected members of the Board of Directors, to wit:

Len Forsyth	President
James G. Hamblet III	Vice-President
Brian C. Connolly	Secretary/Treasurer
John H. Cameron	Assistant Secretary/Treasurer
Robert J. Wills	Director

and all of the members were present, thus constituting a quorum. Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of Bob Leared Interests; George Blitch of Blitch Associates Inc; Cynthia Colondres of Municipal Accounts & Consulting; Jose de Leon of Venturi Engineers LLC; ; Kim Courte of Arthur J. Gallagher and Co.; and Susan Saccomen, Kasey Lorraine and Jamie Parrott of the MCUD staff. The meeting was called to order, and in accordance with notice posted pursuant to law, the following business was transacted:

Notices & Minutes. Ms. Saccomen presented the Board a copy of the notice of the meeting including a written report that the notice was given in accordance with the Texas Open Meetings Act. Director Connolly moved to approve the August minutes as presented, Director Wills seconded, and the motion was passed.

Delinquencies, Etc. Ms. Saccomen presented a list of utility accounts, a copy of which is attached to these minutes, and advised the Board there were delinquent utility charges owed on each of the accounts. She indicated notice of proposed discontinuation of service for non-payment of water/sewer services (and the opportunity for a hearing at that night's hearing) had been given to the ratepayer on each account (and the occupant, if different). President Forsyth opened a public hearing regarding such utility accounts. After providing an opportunity for anyone to be heard and determining that no one was present to be heard, Director Connolly then moved that: (i) the amount shown on the lists for each account be found to be correct and delinquent, (ii) although notice of tonight's hearing was given, no one appeared, and (iii) discontinuation of utility service be authorized for the accounts listed, except as specially provided by the Board, in accordance with the District's standard operating procedures. The motion was seconded by Director Cameron and was carried by a unanimous vote.

Bookkeeping, Funds, Etc. Ms. Colondres gave the bookkeeper's report including current budget (revenues and expenditures), history of sales tax revenues, and a summary of pledged security as of September 11, 2019. Ms. Colondres noted that BBVA (previously BBVA Compass) CD ending in 9123 was renewed September 9th at 2.05%. Director Connolly moved to accept the bookkeeper's report as presented. Director Cameron seconded, and all voted in favor of the motion.

Bills, Etc. Director Wills moved to accept the bills as presented and authorize payment. Director Cameron seconded, and all voted in favor of the motion.

Taxes. Ms. Loaiza gave the Tax Assessor Collector report indicating total taxes collected at the end of August were $2,030,725.42 leaving taxes receivable on August 31, 2019 at $44,675.04. Total reported receipts in August were $4,749.97. Checks were presented in the amount of $9,224.21. The reported percentage of collection of the 2018 taxes was 99.07%. After discussion, Director Cameron moved to approve the Tax Assessor Collector's report as presented. Director Connolly seconded, and all voted in favor of the motion.

Mr. George Blitch presented proposed 2018 tax rate options, including both Debt Service and M&O tax rates. After discussion by the Board, Director Connolly moved to adopt the following measure: "ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKE OTHER ACTIONS IN CONNECTION WITH THE TAX LEVY, PROPOSING A TAX RATE AND CALLING A PUBLIC HEARING, ETC." which included a proposed tax rate of $0.351 per $100, of which $0.0440 would be for debt service and $0.307 would be for maintenance and operations. The order also called a public hearing on the proposed tax rate for October 16. 2019. Director Wills seconded the motion, and, the motion, carrying with it the adoption of the measure, passed and carried by the following vote:

FOR: Directors Forsyth, Hamblet, Connolly, Cameron, Wills
AGAINST: (none)
ABSENT/NOT VOTING: (none)

A true copy of the measure, as adopted, was filed with records of the meeting. The public hearing on the proposed rate was set for the October 16th Board meeting, and notice of the public hearing was directed to be published in the *Katy Times*.

Bonds, Notes, Etc. and Reimbursement Resolutions. Mr. Blitch reported that he would provide the District's engineer all the financial information needed to draft the bond application. Mr. de Leon reported that he sent a draft of the bond application to the district's attorney and financial advisor, but the cost estimate portion was still being calculated. After discussion, the projects to be included in the bond application were designated as follows: Brondesbury Lift Station rehabilitation, Rennie Road Lift Station rehabilitation, and sanitary sewer rehabilitation on Ellingham. Mr. Dougherty noted that a reimbursement resolution would be necessary in order to reimburse the General Fund for project costs related to the bond projects. He said he would bring it to the October board meeting. Mr. de Leon indicated he would complete the bond application and present it to the Board at the October 16th meeting for approval. Director Hamblet asked Mr. de Leon to send a draft of the application to the Board for review prior to the October meeting.

Insurance. Director Forsyth introduced Kim Courte of Arthur J. Gallagher and Co., who presented the proposal to renew the District's insurance policies. Ms. Courte explained that the policy cost increased $3,520 due to changes in property values. She noted that the new policy had broadened cyber policy to include ransomware and cyber-extortion. After discussion, Director Connolly moved to authorize the insurance renewal to include cyber liability coverage with a limit of $2,000,000. Director Wills seconded and the vote carried out unanimously.

Water Supply & Regulations and Agreements. There was nothing to report. Director Forsyth informed the Board that he would like to offer rain barrels to interested residents. He said it would hopefully increase the District's conservation measures. He said he would investigate the cost and feasibility and bring his findings to the Board.

Engineering, Projects, Etc. Mr. de Leon noted that the generator for the Brondesbury Lift Station had been delivered, but Centerpoint Energy had not set the power for the rack, and it would likely be seven weeks before Centerpoint would come out to do it.

Mr. de Leon noted that he was working on the bond application and expected to have the documents available to the Board for review on October 4. He informed the Board that the following work had been completed: (i) overall individual section layouts for both the water and sanitary sewer lines, (ii) the sample siting map which was requested by TCEQ (it had been sent to the District Operator for approval); and (iii) the asset management plan.

Mr. de Leon mentioned that he would submit the completed drawings for rehabilitations of both the Brondesbury Lift Station and the Rennie Lift Station to the City of Houston sometime in October. He reported that he was working with an electrical engineer on the technical specifications for the Water Well #3 electrical upgrades and would have them completed within the next three weeks.

Mr. de Leon stated that the architect was in the design phase for the replacement pump house at the Mason Creek Community Center. He said he had reviewed the bid documents and requested authorization to publish a notice to bidders. After discussion, Director Connolly moved to authorize publication of the notice to bidders for the pump house project. Director Wills seconded, and all voted in favor of the motion.

After discussion, Director Connolly moved to approve the Engineer's report as presented. Director Wills seconded, and all voted in favor of the motion.

Energy & Streetlights. There was nothing to report.

Drainage, Detention/Retention. There was nothing to report.

STP's. President Forsyth reported that the Cinco Regional STP was operating normally. He added that the operating district had changed to the type of digestor being used, and it was working well. He reported that WMMUD had reached a settlement with the contractor hired for the new generator installation and had gone out for bids to complete the job.

Recreational Facilities. Ms. Saccomen reported that the new sign for the MCCC had been ordered and would be installed in the next six to eight weeks. Director Hamblet informed the Board that the gazebo that had been destroyed would not be built back in the previous location but would likely be moved to the area behind the pool. He said he would contact the contractor who was awarded the pumphouse bid so that they could place a bid for the replacement gazebo. After discussion, Director Connolly moved to authorize Director Hamblet to arrange for a bid to replace the gazebo. Director Cameron seconded and the motion was unanimously passed.

Mr. Parrott reported that the trees at the Community Center had been pruned, and two dead trees had been removed. He added that a pine tree stump had been ground up, but an oak tree stump had not. Ms. Saccomen noted that the check for the job would be held until the job was completed.

System Operations, Rates, Etc. Mr. Parrott informed the Board that the District pumped 46,381,000 gallons during the highest month of the year, and the total gallons pumped for the year were 250,059,000.

He reported that the lead and copper sampling bottles would be delivered along with instructions to the residents on September 18, and the samples would be picked up on the 19th. He said the samples would then be sent to the LCRA for testing.

Mr. Parrott reported that K Town LLC was requesting District approval for services, but it could not begin until the plumbing was completed and inspected.

He stated that Children's Lighthouse Daycare had passed all but one District inspection. He said he would perform the final inspection and send one invoice for all the inspections. He added that the owner was waiting on Harris County to reinspect the fire hydrants.

Administrative Matters. Director Forsyth reported that the District received bids from Venus Construction and Quality Concrete for the administrative building renovation project. He noted that both bids were close in price, but that Quality Concrete's bid did not include the required details. After discussion, Director Connolly moved to (i) award the bid to Venus Construction LLC with the base bid of $94, 900; (ii) authorize Director Forsyth to negotiate and approve any changes to the project not to exceed a total price of $125,900; (iii) authorize $2,500 for hiring the architect to oversee construction. Director Wills seconded, and all voted in favor of the motion.

Ms. Saccomen reported that a new part time employee, Paige Artall was hired to replace Anna Smith, and she would likely work for the next 3 to 4 years.

Mr. Dougherty presented an amendment to the rate order to comply with new state law. It would: (i) require the District's billing company to place a notice on water bills regarding the Board and Board meetings; and (ii) include the following regarding public speakers at Board meetings:

> The Board shall allow each member of the public who desires to address the Board regarding an item on an agenda for an open meeting of the Board to address the Board regarding the item at the meeting before or during the Board's consideration of the item, subject to these rules: (1) a member of the public who desires to address the Board must, at the beginning of the meeting, make that desire known to the presiding officer, including the affected item on the agenda, and, if requested by the presiding officer, fill out a written speaker card or request; and (2) the total amount of time that a member of the public may address the Board on a given item is five minutes.

After discussion, Director Hamblet moved to adopt the rate order amendment as presented. Director Cameron seconded, and the motion was unanimously carried.

Adjournment. There being no further business to discuss, Director Hamblet moved to adjourn. Director Wills seconded, and all voted in favor of the motion.

Next Meeting: The October regular meeting was scheduled for Wednesday, October 16, 2019 at 7:30 PM

REVIEWED AND APPROVED BY THE BOARD on October 16, 2019

SIGNED: _____