

MASON CREEK UTILITY DISTRICT

L.R. Forsyth
J.G. Hamblet III
B.C. Connolly
R.J. Wills
J.H. Cameron

Katy, Texas 77450
Phone 281-578-7272
Fax 281-578-1419

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 **October 16, 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; Bill Blich of Blich Associates Inc; Cynthia Colondres of Municipal Accounts & Consulting; Jose de Leon of Venturi Engineers LLC; Tim Applewhite of McCall Gibson Swedlund Barfoot PLLC; 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 Wills moved to approve the September minutes as presented, Director Cameron 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 Cameron 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 Connolly and was carried by a unanimous vote.

Audits, Financial Reports, Management Letters. Mr. Applewhite presented the draft audit report and a management letter for 2019. After discussion by the Board, Director Cameron moved to approve the 2019 audit report as presented, seconded by Director Connolly, and all voted in favor of the motion.

Best Trash. Director Hamblet presented the automatic yearly price adjustment from Best Trash, which indicated an increase of 2.9 percent increase based on the CPI-U, which would change the current rate of \$23.24 per residence to \$23.91. The rate increase would take effect October 2019 through September 2020. Director Hamlet mentioned that the annual increase is included in the current contract, therefore, no motion would be required.

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 October 16, 2019. Ms. Colondres noted that Prosperity CD ending in 8605 was renewed October 7th at 2.25%. Director Cameron moved to accept the bookkeeper's report as presented. Director Connolly seconded, and all voted in favor of the motion.

Bills, Etc. Director Cameron moved to accept the bills as presented and authorize payment. Director Connolly 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 September were \$2,227.04 leaving taxes receivable on September 30, 2019 at \$43,013.99. Total reported receipts in September were \$3,3201.11. Checks were presented in the amount of \$7,356.02. The reported percentage of collection of the 2018 taxes was 99.18%. After discussion, Director

Connolly moved to approve the Tax Assessor Collector's report as presented. Director Wills seconded, and all voted in favor of the motion.

Public Hearing on Proposed Tax Rate. President Forsyth formally opened a public hearing on the proposed tax rate. It was explained that the proposed tax rate was \$0.351 per \$100 of taxable value, composed of \$0.307 for M&O and \$0.044 for Debt Service. Also presented was the Publisher's Affidavit showing that the notice of the public hearing and proposed tax rate was published on September 26, 2019 in The Katy Times. President Forsyth asked for public presentations or comments, but there was none offered. President Forsyth then closed the public hearing. At that point, the following measure was introduced for consideration of the Board: ORDER LEVYING TAXES. Director Hamblet moved, seconded by Director Cameron, that the measure be approved and adopted in substantially the form as presented to the Board, and that the officers of the District be authorized to sign, attest and certify the measure. After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

Ayes: Directors Forsyth, Hamblet, Cameron, Connolly, Wills
Nays: None

A copy of said measure, as adopted, is attached to these minutes. At that point, Mr. Dougherty presented an amended District Information Form for Director's signatures, as approved by the ORDER LEVYING TAXES. He noted that the District Information Form will be recorded in the Harris County Real Property Records to give formal notice of the District's tax rate.

Bonds, Notes, Etc. and Reimbursement Resolutions. Mr. Blich briefed the Board on the background and preparation for the proposed bond issue. He said the application to TCEQ had been prepared by the engineer and reviewed. He pointed-out the estimated interest rate in the application and said he expected to be able to achieve a lower rate when the bonds are sold. He said an analysis of previously-issued bonds indicated that there could be a savings if they were refunded, but not enough to justify the cost and time required. After questions and discussion, Director Connolly made a motion to adopt a "RESOLUTION AUTHORIZING APPLICATION TO TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS" and request expedited consideration. Director Hamblet seconded, and the motion carried unanimously.

Mr. Dougherty recommended the Board adopt resolutions expressing intent to finance and reimburse project expenditures from bond proceeds, for the following projects: (i) Brondesbury Lift Station rehabilitation (ii) Rennie Road Lift Station rehabilitation (iii) and sanitary sewer rehabilitation on Ellingham. After discussion, Director Hamblet moved to adopt such resolutions. Director Wills seconded, and all voted in favor.

Water Supply & Regulations and Agreements. There was nothing to report.

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 six weeks before Centerpoint would come out to do it.

He 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 and TCEQ. He reported that he was working with an electrical engineer on the technical specifications for the Water Well #3 electrical upgrades. He also mentioned that advertising and bidding of the project were expected the following month.

Mr. de Leon reported that the District received four bids for the replacement of the MCCC pool pump and restroom building. He said the apparent low bidder had withdrawn that bid. He recommended that the contract be awarded to Perry Construction in the amount of \$136,000. After discussion, Director Connolly moved to (i) award the bid to Perry Construction for \$136,000 per the engineer's recommendation; (ii) authorize Director Hamblet to sign the award. Director Wills seconded and the motion was passed unanimously.

After discussion, Director Wills moved to approve the engineer's report as presented. Director Connolly 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 WMMUD's project for the new lift station was about 95% complete, and the operating district should receive the final bill soon. He mentioned that it was ahead of schedule. President Forsyth also reported that the operating district for the Cinco Regional Sewage Plant had been approached by Cinco MUD 1 regarding installation of a larger storage tank for reused water. After discussion during that meeting, a larger footprint needed for the projected storage tank was authorized.

Recreational Facilities. Director Hamblet reported the engagement of an engineer to design the pool equipment to replace the equipment destroyed by the plane crash at MCCC. He said the engineer had visited the site and observed several items at the pool that were not compliant. In addition, he said the engineer had mentioned that existing piping and plumbing between the pool and the pump-restroom building may not be sufficient, which might require re-design. He reported questions from the insurance company about how the re-design of the pump-restroom building. He said it was not possible to re-build the building exactly as it had been, because of regulations. He said he expected to present a design for the pool equipment at the next meeting.

System Operations, Rates, Etc. Mr. Parrott informed the Board that the District pumped 39,463,000 gallons during the month of September, and the total gallons pumped for the year were 289,521,000.

He also informed the Board that the entrance to the Westgreen Lift station had become a safety hazard for traffic after normal school hours. He provided a quote from the Griffin fence company to modify the fence and gate in the amount of \$6,690, which would allow any District vehicle to safely enter the facility without blocking the sidewalk or oncoming traffic. After discussion, Director Wills moved to approve the changes to the fence and gate. Director Cameron seconded, and all voted in favor of the motion.

Mr. Parrott also informed the Board that panels for the Houghton Well ordered by Mr. James Parrott which had been delivered. He stated the EMS firm had previously provided a quote of \$46,900 for installation, but it would have to be re-submitted. He also mentioned that the Total Energy Solutions contract was up for renewal. He said the price was the same even though the District had an additional generator.

Mr. Dougherty reported that he had been working with Mr. Parrott on cooperative purchasing programs, one organized by a group of school districts (called "BuyBoard") and another run by the Houston-Galveston Area Council (called "H-GAC Buy"). He explained that the programs would allow the District to make purchases from bids submitted to the group, without taking separate bids. He indicated that the District could join the programs by signing interlocal purchasing contracts. After discussion, Director Connolly made a motion to: (i) adopt the resolution required by the Local Government Purchasing Cooperative and authorize its interlocal purchasing contract; and (ii) authorize an interlocal purchasing contract with Houston-Galveston Area Council. Director Hamblet seconded, and the motion carried unanimously.

Director Hamblet reminded the Board about a previously-approved agreement with Harris County for improvements at the intersection of Kingsland and Westgreen Blvd. He said he recently received another letter with a proposed interlocal agreement that called for a 50-50 split of certain items between the District and Interstate MUD, totaling \$40,000 between them. He said the Board had previously authorized an interlocal agreement with a 40/60 split of those items, totaling \$34,000 between them. After discussion, Director Connolly moved to authorize a modification of the previously-approved agreement to reflect a 40/60 split of the \$40,000 between the two districts (\$16,000 to be paid by MCUD). Director Wills seconded, and all voted in favor of the motion.

President Forsyth mentioned that an identification system should be put in place for District employees. After discussion, it was decided that he would look into vendors who would be able to generate ID badges rather than buying the equipment to create the badges in-house.

Administrative Matters. Mr. Parrott reported the Robert Lorraine passed his collection systems licensing test. He recommended that his current pay rate of \$22.19/hour be increased to \$25.00/ hour. After discussion, Director Connolly moved to authorize the increase. Director Wills seconded and all voted in favor of the motion.

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 November regular meeting was scheduled for Wednesday, November 13, 2019 at 7:30 PM

REVIEWED AND APPROVED BY THE BOARD on

November 13, 2019

SIGNED: _____

