

MASON CREEK UTILITY DISTRICT

L.R. Forsyth
J.G. Hamblet III
B.C. Connolly
R.J. Wills
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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 January 15, 2020 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 except Brian Connolly, thus constituting a quorum. Also, present were James L. Dougherty, Jr., Attorney for the District; Michael Cole of Michael A. Cole, P.C. (bond counsel 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; and Susan Saccomen 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 December minutes as presented, Director Hamblet abstained due to his absence at the December meeting, and Director Cameron seconded. All except Director Hamblet voted in favor, 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 Wills 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 January 15, 2020. She also informed the Board that the Bancorp South CD was renewed. Director Cameron moved to accept the bookkeeper's report as presented. Director Wills seconded, and all voted in favor of the motion.

Bills, Etc. Director Cameron moved to accept the bills as presented and authorize payment, except for Perry Construction pending an updated invoice. Director Wills seconded, and all voted in favor of the motion.

Taxes. Ms. Loaiza gave the Tax Assessor Collector's report indicating total taxes collected at the end of December were \$1,337,195.69 leaving taxes receivable on December 31, 2019 at \$978,097.15. Total reported receipts in December were \$1,171,590.86. Checks were presented in the amount of \$1,149,511.76. The reported percentage of collection of the 2019 taxes was 58.6%. 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.

Bonds, Notes, Etc. and Reimbursement Resolutions. Mr. Blich presented a preliminary official statement for the proposed sale of \$2,650,000 Unlimited Tax Bonds, Series 2020 (the "Bonds) and discussed some modifications to be made. He suggested that the District transfer additional cash into the Debt Service Fund. After discussion, Director Cameron moved to authorize a cash transfer of \$245,000 from the General Fund into the Debt Service Fund. Director Wills seconded, and the motion carried by a unanimous vote. Mr. Blich also mentioned that he expected that the Bonds could be sold at the next meeting.

After further discussion, Director Cameron moved to authorize the President and the officers of the District to: (i) take all necessary action for sale and delivery of the Bonds; (ii) retain disclosure counsel for the Bonds, with the fee to be paid regardless of whether the bonds are sold (not contingent on sale); (iii) authorize the preliminary official statement with the modifications mentioned;

(iv) authorize the recommended paying agent registrar agreement (with UMB Bank); and(v) and authorize advertising for bids for sale of the Bonds. Director Hamblet seconded, and all voted in favor of the motion.

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

Engineering, Projects, Etc. Mr. de Leon gave the Engineering Report and stated that the Brondesbury Lift Station electrical upgrades had been completed. He added that the start-up and testing of the emergency generator was still pending.

Mr. de Leon reported that the bond application was approved by TCEQ.

He stated that pump house building should be completed within four weeks, depending on weather. He recommended approval of Pay Application No. 2 and Change Order No. 1 for the contract. After discussion, Director moved to authorize approval of both the Pay Application and Change Order. Director Cameron seconded, and the motion carried unanimously.

Mr. de Leon reported that he would provide an updated schedule to the Board for the Brondesbury and Rennie Lift Station work the following week and would submit a letter to TCEQ and the City of Houston

He mentioned that the engineering for electrical work at Water Well #3 was close to completion, which would allow advertising for bids. Director Hamblet moved to authorize advertisement of the bid. Director Wills seconded and all voted in favor of the motion.

Mr. de Leon informed the Board that the emergency approval from TCEQ was received for the force main repair west of Westgreen Blvd., and he had prepared documents, specifications and exhibits.

He also mentioned that emergency approval from TCEQ for the sanitary sewer repair on Kingsland Blvd. had been received. He stated that he would review the video of the sanitary sewer line and sent out a report.

Energy & Streetlights. There was nothing to report.

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

STP's. President Forsyth reported that both the Cinco Regional and WMMUD were operating properly. He mentioned that the Cinco Regional plant operator had cameras installed and also got a new system to reduce utility cost. He mentioned that WMMUD would be going out for bids for electrical work, and the cost was expected to be known by the next meeting.

Recreational Facilities. Director Hamblet informed the Board that the previous bids for the pool equipment in the MCCC pump house would have to be rejected because they were all over \$75,000. It was duly moved and seconded to reject them, and all voted in favor. He mentioned that the attorney advised holding a special meeting to review the second set of bids following bid opening on January 17th.

System Operations, Rates, Etc. Mr. Parrott reported that the District pumped 30,043,000 gallons during the month of December, and the total gallons pumped for the year were 386,197,000, leaving 13,803,000 gallons for the remainder of the year.

He informed the Board that the inspection report came back for the water tower and ground storage tanks. He recommended a full cleaning for the north tank at Water Well #3 and standard cleanings for the other tanks.

He also reported that the old generator building had been removed and the site had been cleaned up.

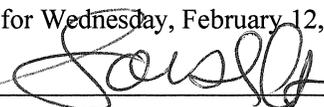
Mr. Jamie Parrott informed the Board that Mr. Lorraine had continued to work on the water system valves. He requested approval to use the Quality Concrete firm to excavate the areas needed to access and exercise the valves in the remainder of the District. After discussion, Director Wills move to authorize Mr. Parrott to use Quality Concrete in an amount not to exceed \$20,000 for that purpose. Director Cameron seconded, and the motion carried unanimously.

Administrative Matters. Ms. Saccomen informed the Board that the move back into the District Office on Dominion went smoothly. She mentioned that the phones system was more than 15 years old and presented a proposal from a long-time vendor in the amount of \$2,400.

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

Next Meeting: The February regular meeting was scheduled for Wednesday, February 12, 2020 at 7:30 PM

REVIEWED AND APPROVED BY THE BOARD on

 2/12/2020

SIGNED:

A handwritten signature in black ink, appearing to read "Joseph", is written over a horizontal line. The signature is cursive and somewhat stylized.