

MASON CREEK UTILITY DISTRICT

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

Scanned
Original

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 847 Dominion, Katy, Texas 77450, on August 12, 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 |

President Forsyth and Director Wills were present at the meeting location. Directors Cameron, Hamblet and Connolly were present via telephone conference call audible at the meeting place, as authorized by the Governor of the Texas (under an emergency declaration). Also present by telephone conference call were James L. Dougherty, Jr., Attorney for the District; Michael Cole of Michael A. Cole, P.C.; Lina Loaiza of Bob Leared Interests; Cynthia Colondres of Municipal Accounts & Consulting; and Jamie Parrott of the MCUD staff. Bill Bitch of Blich Associates Inc. was present at the meeting location. Also present at the meeting location were Ms. Susan Saccomen and Kasey Lorraine 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 July 15th minutes as presented, and Director Cameron seconded. All voted in favor, and the motion was passed.

Audits, Financial Reports, Management Letters. There was no report or action.

Delinquencies, Etc. There was no report or action.

Bookkeeping, Funds, Etc. Ms. Colondres presented the bookkeeper's report including current budget (revenues and expenditures), history of sales tax revenues and summary of pledged security as of August 12, 2020.

Mr. Dougherty reported on a conference call among the bookkeepers, himself and Mr. Blich, from which it had been recommended to split the costs of collecting taxes between the general fund and the tax fund (sometimes also called the debt service fund). A document submitted by the bookkeeper showed the collection costs to be split and charged to each fund. Director Wills moved to amend the annual budget (as amended in July) to include the collection costs to be split and charged to each fund as shown. Director Cameron seconded, and all voted in favor of the motion.

Mr. Dougherty stated that he had been working with Ms. Saccomen regarding the form for the quarterly investment reports and a statement to be included. After discussion, Director Connolly moved to receive and approve the quarterly investment report submitted by the Investment Officers and to order that a written instrument be adopted, as shown on the report, stating that the Board had reviewed the District's investment policy and investment strategies and decided to make no changes to them. Director Wills seconded, and all voted in favor, thus passing the motion.

Director Connolly moved to accept the bookkeeper's report as presented. Director Wills seconded, and all voted in favor of the motion.

Bills, Etc. Director Connolly moved to accept the bills as presented (and authorize payment). Director Wills 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 July were \$2,245,996.14, leaving taxes receivable on July 31, 2020 at \$63,407.25. Total reported receipts in July were \$4,708.46. Checks were presented in the amount of \$5,982.84. The reported percentage of collection of the 2019 taxes was 98.7%. After discussion, Director Wills moved to approve the Tax Assessor Collector's report as presented (and authorize the checks presented). Director Cameron seconded, and all voted in favor of the motion.

Bonds, Notes, Etc. and Reimbursement Resolutions. In connection with the \$1,485,000 Unlimited Tax Refunding Bonds, Series 2020 (the “Bonds”), Mr. Blich and Mr. Cole reported on the official statement and the steps necessary to complete the sale and delivery. After discussion, Director Cameron made an omnibus motion that the Board approve and adopt the following:

- (i) a bond order authorizing the refunding and redemption prior to maturity of certain presently outstanding bonds; approving and authorizing execution and delivery of a bond purchase agreement and escrow agreement; authorizing the purchase and/or subscription for securities in connection therewith; authorizing the issuance, sale and delivery of \$1,485,000 Unlimited Tax Refunding Bonds, Series 2020; prescribing the terms and provisions thereof; making provision for the payment of the interest thereon and the principal thereof; and containing other provisions relating to the subject,
- (ii) an order adopting and authorizing execution and distribution of Official Statement and ratifying distribution of Preliminary Official Statement for the Bonds;
- (iii) a resolution regarding delegation of authority for the sale of the Bonds,
- (iv) an order adopting procedures and standards of City of Houston Ordinance 97-416 as amended and/or supplemented,
- (v) a paying agent and registrar agreement with UMB Bank N.A. and an escrow agreement with UMB Bank N.A.,
- (vi) affirmation of Michael A. Cole, P.C. as bond counsel for the District,
- (vii) engagement of Barbara League of Orrick, Herrington & Sutcliffe LLP as special tax counsel,
- (ix) execution of an appropriation certificate,
- (x) execution of the general certificate, and
- (xi) execution of a signature identification and no-litigation certificate.

The motion was seconded by Director Wills and carried by unanimous vote. It was reported that the savings effected by this transaction was approximately is \$118,702.80 or 7.993% of the principal amount of the refunded bonds, which is well in excess of the minimum savings of 3% required by City of Houston Ordinance for such a refunding.

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

Engineering, Projects, Etc. Mr. de Leon informed the Board that he was coordinating with the operator to revise the plans for the Brondesbury lift station conversion.

He stated that the bid opening for the ATS replacement and electrical upgrades at Galleon Oaks Water Plant project bid opening was held on August 5, 2020. He reported on problems in the lowest bid received and that bidder’s reported experience, and there was a discussion about them. He recommended that the contract be awarded to Hi-Tork Power Inc. on its bid in the amount of \$94,723. After discussion, Director Wills moved to award the contract to Hi-Tork Power Inc. per the engineer’s recommendation; Director Connolly seconded; and the motion was passed unanimously.

Mr. de Leon reported that work on the pipe-bursting portion of the Kingsland Blvd. emergency sanitary sewer project was completed, but some items still needed to be addressed. He stated that the contractor was addressing those items and mentioned that the final walk-through would be done upon completion of repairs. He stated that the contractor had not submitted the final pay application.

Mr. de Leon reported that plans and specifications for the sanitary sewer rehabilitation along Prince Creek Dr had not been submitted to the City of Houston, but they would be by the end of the week. He said he would coordinate with the attorney for the front-end documents.

He also reported that he was working with the operator on a cost estimate for replacing a 160-foot section of the force main along Prince Creek Dr. He stated that he had received the final report from the consultant. After discussion, it was recommended to replace the force main under the power line within the next year. President Forsyth stated that he would work with the consultant and the engineer and present his suggestions.

Mr. de Leon mentioned that the bid opening for the smart water meter system was held July 17, 2020, and the contract had been awarded to the Accurate Meter firm. He stated that the notice to proceed had been issued and the contractor was to begin installation within ten days. President Forsyth stated that he would follow up to ensure compliance.

Director Wills moved to accept the engineer’s report as presented. Director Cameron seconded, and all voted in favor of the motion.

Energy & Streetlights. There was nothing to report.

Drainage, Detention/Retention. Director Wills informed the Board that the drainage detention pond next to the apartments was filled with growth and debris. Mr. Parrott informed the Board about a similar issue behind the new day care facility on Kingsland Blvd. After discussion, Director Hamblet stated he would contact Harris County Flood Control District staff.

STP's. President Forsyth informed the Board that Cinco MUD's meeting would be the following night. He said a recommendation on a failing trunk line (estimated to cost \$2.8 million) was expected at next month's meeting.

Recreational Facilities. There was nothing to report.

System Operations, Rates, Etc. Mr. Parrott reported that the District pumped 40,840,000 gallons with an apparent loss of 6.4 million gallons. He stated that he had caught-up on leaks but had three collapsed sewer lines. He also mentioned that he had scheduled AAA Flexible Pipe Cleaning to televise the line on Ellingham and send it to the engineer.

Administrative Matters. Ms. Saccomen informed the Board that the new rates had been updated and were in effect. She also mentioned that she would include the notice of increased rates in the following bills.

Next Meeting: The September regular meeting was scheduled for Wednesday, September 16, 2020 at 7:30 PM

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.

REVIEWED AND APPROVED BY THE BOARD on September 16, 2020

SIGNED: _____

