

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** by telephone conference call with two-way audio (as authorized by the Governor of Texas under emergency declaration), on **November 11, 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 Mr. James L. Dougherty, Jr., Attorney for the District; Ms. Lina Loaiza of Bob Leared Interests; Ms. Cynthia Colondres of Municipal Accounts & Consulting; Mr. Jose de Leon of Venturi Engineers LLC; Ms. E. Brooks, a resident of the District; and Mr. Jamie Parrott of the MCUD staff. Also present at the meeting location were Ms. Susan Saccomen 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 Cameron moved to approve the October 14th minutes as presented, and Director Wills seconded. All voted in favor, and the motion was passed.

Delinquencies, Etc. Delinquencies, Etc. President Forsyth opened a public hearing on utility account delinquencies and asked Ms. Saccomen to report. She reported that the staff had prepared notices of delinquency for accounts that were delinquent 120 days or longer, of which there were 16 accounts. She said the notices provided an opportunity for a hearing on November 4, 2020 and specifically offered the opportunity to make time payout agreements. After the hearing, she said, the hearing officer approved orders for six accounts, and each order determined the dollar amount that was delinquent and required that further notice be given to the account holder and occupant before physical discontinuation of service. She said the orders provided that water-sewer service would be physically discontinued "on or after the seventh day following dispatch" of the notice, unless, before that day, either: (1) "full payment is made" by cashier's or certified check (as required by the rate order), or (2) "a person responsible for water-sewer service at the Service Address makes a written payout agreement with MCUD staff." Six such notices were given by mail and by doorhanger at the Service Addresses, she said, and they went out on November 5, so the seventh day following that date (the date of discontinuation) would be November 12 (the day after this meeting). Out of the six accounts, she reported that two had been paid (delinquent amount only); two had been paid in full (delinquent amount plus the current amount); one was paid in part, but the customer did not provide the required written agreement; and one was not paid at all, but the District did get a phone call (regarding 506 Walworten). She said the customer asked to address the Board, and staff directed them to the notice for tonight's meeting. She further reported that the delinquent amount for 506 Walworten was then at \$2,804.13, plus the \$9 notice fee, that no payment had been made, and that there had been no request for a payout agreement. She added that there was a reported leak on the property, and she had contacted the customer about it. She said she had advised the customer that the District's rate order allowed reduction of bills when there is a leak, but the customer must fix the leak and file a written application for a reduction. Ms. Saccomen said she was unaware if the leak has been fixed, but it appeared that the rate of consumption had dropped, although it was still high. Ms. Brooks addressed the Board and said that she missed the hearing on November 4, 2020 due to the pandemic. She added that the leak had been repaired and appealed the order. There was an extended discussion.

After discussion, Director Hamblet moved to modify the "Order Regarding Discontinuation of Water-Sewer Service" that had been issued by the hearing officer, to include the following:

- (1) The earliest date of disconnection would be extended to November 19, 2020.

- (2) Disconnection would be postponed if, before November 19, 2020, there is payment by cashier's or certified check (delivered to MCUD at 847 Dominion, Katy, Texas 77450) or other method that assures good funds of EITHER:
 - (a) \$2,482.62, which the Board determined to be the adjusted amount due, under the extraordinary circumstances described at the hearing, including the current amount that becomes delinquent November 15, 2020; or
 - (b) \$2,121.97, but this amount only applies if the customer complies with the rate order provisions regarding leak adjustments and is eligible for such reduction (which requires that the leak be actually repaired, etc.), including the current amount that becomes delinquent November 15, 2020.
- (3) The customer was offered the opportunity to pay-off the applicable amount (see above) over 12 months in equal monthly installments (1/12th each month), plus, beginning in December 2020, the full new amount coming due each month. Disconnection would be postponed if, before November 19 the customer pays the first 1/12th installment by cashier's or certified check (delivered to MCUD at 847 Dominion, Katy, Texas 77450) or other method that assures good funds. If any payment is not made, there could be a disconnection, and the full amount remaining unpaid plus additional charges would be immediately owed.

Director Wills seconded, and the motion was unanimously carried.

Bookkeeping, Funds, Etc. Ms. Colondres presented the bookkeeper's report including current budget (revenues and expenditures), history of sales tax revenues, summary of pledged security as of November 11, 2020, and the Quarterly Investment Report for the period ending June 30, 2020. Director Cameron moved to accept the bookkeeper's report as presented. Director Wills seconded, and all voted in favor of the motion.

Director Cameron moved to receive and approve the quarterly investment report for the period ending June 30, 2020 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.

Bills, Etc. Director Wills moved to accept the bills as presented (and authorize the checks prepared to pay them). 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 October were, \$31,765.78, leaving taxes receivable on October 31, 2020 at \$2,189,267.03. Total reported receipts in October were \$28,018.91. Checks were presented in the amount of \$28,987.90. The reported percentage of collection of the 2020 taxes was 1.1%. After discussion, Director Forsyth asked Ms. Loaiza to investigate the name, land value and whether the property known as Spa World was on the tax roll. Ms. Loaiza stated she would report her findings back to the Board. Director Cameron moved to approve the Tax Assessor Collector's report as presented (and authorize the checks presented). Director Wills seconded, and all voted in favor of the motion.

Bonds, Notes, Etc. and Reimbursement Resolutions. There was nothing to report.

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

Engineering, Projects, Etc. Mr. de Leon informed the Board that he was continuing to address comments and was coordinating with the attorney for the front-end specifications of the Brondesbury and Rennie lift station conversion. He stated that the bid documents including the insurance requirements were still being finalized.

Mr. de Leon reported that the automatic transfer switch (ATS) had been ordered and was expected to arrive January 8, 2021. He reported that the Kingsland Blvd. Emergency Sanitary Sewer Repair had been completed. He said he had reviewed the final pay application and video of the lateral lines submitted by T Construction, LLC and found that everything was correct. He presented a request for approval of Change Order No. 2 for a total contract reduction in the amount of \$5,450.00 and Pay Application No. 2 (final) in the amount of \$25,190.50, which included Change Order No. 2. He noted that the engineering report showed that the "bills-paid" affidavit had not been received, but he had received them later and sent them to Ms. Saccomen and Mr. Dougherty. Therefore, he recommended the Board approve Change Order No. 2 for a reduction in the amount of \$5,450.00. Director Wills moved to authorize Change Order No. 2, it was seconded by Director Cameron and the motion was unanimously carried. After discussion, Director Wills moved to approve Pay Application No. 2 and a check for a final amount due of \$25,190.50 pending the attorney's review and approval. Director Cameron seconded and the motion was carried by a unanimous vote.

Mr. de Leon reported that the Kingsland Blvd and Prince Creek Sanitary Sewer Rehabilitation Project was being advertised the next day in the *Katy Times*. He added that he was waiting on final approval from the City of Houston, Harris County Engineering and Harris County Flood Control, but the bid award recommendation would be presented at the next board meeting.

Mr. de Leon reported that the plans for the Force Main Project had been completed and would be submitted to Harris County Engineering and Harris County Flood Control for review. Mr. de Leon also reported that the pre-bid meeting for the Smart Water Meter project (phase two) was held on October 30, and the bid opening was November 10. He noted there were two bidders, and the apparent low bid was for \$438,368.58 by AVR Water Technologies. He said he and the attorney were reviewing the bids.

Mr. de Leon asked the Board for authorization to advertise and bid the pool deck project. After discussion, Director Hamblet moved to authorize advertisement. Director Cameron seconded, and all voted in favor, thus passing the motion.

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.

Regional Matters. Mr. Cameron reported on a surface water project that had begun in 2019 to serve northern Fort Bend County. He said it was expected to be completed sometime in 2025. The project would serve areas west of the District. He said he would keep the Board informed as the project moves forward.

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

STP's. President Forsyth informed the Board that WMMUD had received approval from the City of Houston to bid the generator and switch gear replacement. He reported that that the Cinco Regional STP was in compliance.

Recreational Facilities. There was no report.

System Operations, Rates, Etc. Mr. Parrott informed the Board that based on the consumption and water loss numbers, the installation of the electronic meters was reducing the amount of water lost in the District.

Mr. Parrott reported that the TCEQ completed its investigation of a complaint raised by a resident of the Nottingham Place Apartments. However, he said he had not received any documentation of the findings. He added that TCEQ had advised that it would be issuing the District a violation notice for an incorrect back flow form that the apartment complex used. He said he had argued that the District was not at fault for the form that the apartment complex used, and TCEQ had decided to reduce the violation to a warning.

Mr. Parrott reported that the roof of the Rennie Rd. List Station needed to be replaced. He said he had received a bid of \$6,000 from a company the District had used in the past.

After discussion, Director Cameron moved to approve the operator's report. Director Wills seconded, and all voted in favor of the motion.

Administrative Matters. Mr. Dougherty recommended an amendment to the District's Rate Order regarding new, transferred, changed or resumed accounts. Among other requirements, it would require applicants to show written proof of ownership or other possession and control of the entire property. After discussion, Director Wills moved to adopt the Rate Order with the amendment. The motion was seconded by Director Connolly, and all voted in favor, thus passing the motion.

Next Meeting: The December regular meeting was scheduled for Wednesday, December 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 December 16, 2020

SIGNED: _____

