

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 847 Dominion, Katy, Texas 77450, including participation by telephone conference call with two-way audio (as authorized by the Governor of Texas under emergency declaration), on **July 14, 2021**, 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. President Forsyth, Directors Wills and Cameron were present at the meeting location. Directors Cameron 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 Ms. Lina Loaiza of Bob Leared Interests; Ms. Cynthia Colondres of Municipal Accounts & Consulting; Mr. Jose de Leon and Mr. Brenton Stamper of Venturi Engineers LLC; and Mr. Jamie Parrott of the MCUD staff. Also present at the meeting location were Mr. James L. Dougherty, Jr., Attorney for the District; Bill Blich of Blich & Associates; Michael Cole, bond counsel; and Ms. Susan Saccomen and Ms. 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 reported that the notice had been posted as required by the Texas Open Meetings Act. Director Wills moved to approve the June 1, 2021, special meeting minutes as presented, and Director Cameron seconded. All voted in favor, and the motion was passed. Director Wills moved to approve the June 16, 2021, regular minutes as presented, and Director Cameron seconded. Director Hamblet abstained, but all others voted in favor, so the motion was passed.

Delinquencies, Etc. Delinquencies, Etc. Ms. Lorraine reported that notice of proposed discontinuation of service for non-payment of water/sewer services on eighteen accounts (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, unless a payment arrangement was agreed upon before discontinuation of service, or as specially provided by the Board, in accordance with the District's standard operating procedures. The motion was seconded by Director Wills and was carried by a unanimous vote. Ms. Lorraine recommended the District go back to the regular 90-day disconnection time frame for delinquent accounts. After discussion, Director Wills moved to approve the return to the 90-day disconnection time frame for delinquent accounts. Director Hamblet seconded, and the motion was unanimously carried.

Bookkeeping, Funds, Etc. Ms. Colondres presented the bookkeeper's report including current budget (revenues and expenditures), and history of sales tax revenues. Director Cameron moved to accept the bookkeeper's report as presented. Director Wills seconded, and all voted in favor of the motion.

Ms. Colondres presented a memo from Municipal Accounts & Consulting that recommended Central Bank be the District's depository, since BBVA Bank was merging into PNC and was eliminating their public funds department effective December 31, 2021. She added that the conversion from BBVA to PNC Bank would take place on October 8, 2021, and that the District's accounts would be no longer be collateralized. After discussion, Director Forsyth stated that the Board would need to investigate further before a decision was made.

Mr. Dougherty presented the amended budget for fiscal year ending June 30, 2022. After discussion, Director Cameron moved to approve the amended budget for fiscal year ending June 30, 2022, as presented. The motion was seconded by Director Wills; and the motion was carried unanimously.

Bills, Etc. Director Cameron moved to accept the bills as presented (and authorize the checks prepared to pay them). Director Wills seconded. The motion carried. Mr. Dougherty reported that P3 recommended that members pay the disputed amounts resulting from the February cold-weather event. After discussion, Director Wills moved to authorize payment of the disputed amount, but subject to a letter of agreement that does not waive the District's rights to recover any of the disputed amount. Director Cameron seconded and the motion was unanimously carried.

Taxes. Ms. Loaiza gave the Tax Assessor Collector report indicating that the total amount of TY 2020 taxes collected at the end of June was \$2,411,950.79, leaving FY 2020 taxes receivable at \$66,087.54 on June 30, 2021. Total reported receipts in June were \$6,685.61. The reported percentage of collection of the FY 2020 taxes was 98.9%. Checks were presented in the amount of \$8,299.62. 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. Director Forsyth informed the Board that the initial amount of bonds for the bond election had been \$70 million, and after review with the engineer and bond counsel, it was reduced to approximately \$51 million. He added that the District's bond advisors recommended a Proposition A and Proposition B for the bond election. Proposition A would be for the authorization to sell "new money" bonds when needed, and Proposition B would authorize future refunding of those bonds, if desired. After discussion, Director Hamblet moved to adopt the Order Calling Bond Election with Proposition A only (without refunding bonds). The motion was seconded by Director Wills, and the motion was unanimously carried (5-0)

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

Engineering, Projects, Etc. Mr. de Leon presented the engineering report related to the bond election. He noted that the bond election was allocated for water and sanitary sewer rehabilitations for Sections 1 through 9. After discussion, Director Wills moved to approve the engineering report related to the bond election. Director Cameron seconded, and all voted in favor of the motion.

Mr. de Leon reported that the contract for the Brondesbury Lift Station Conversion project had been awarded, and Mr. Dougherty was in contact with the contractor's insurance company to work out the contract's insurance requirements.

Mr. de Leon reported that he received a response from the City of Houston regarding the Rennie Lift Station project, and he was in the process of addressing those comments. He said he would then coordinate with the attorney to advertise the project. He added that the start of the Rennie project would be contingent upon the completion of the Brondesbury Lift Station Conversion project.

Mr. de Leon informed the Board that the slip lining and the pipe bursting for the Kingsland Blvd. and Prince Creek Sanitary sewer rehabilitation project had been completed. He noted that the final inspection occurred on July 8th. He added that the contractor was addressing the punch list at that time. He said the second pay application was to be submitted that day, but the contractor had not submitted the required supporting documents.

Mr. de Leon stated that the forcemain replacement project was awarded, and he was waiting for the contract documents from Vera Industries LLC.

Mr. de Leon also reported that the concrete work and decking for the pool deck replacement project had been completed, and the contractor was still addressing items prior to the final inspection.

Mr. de Leon reported that a waterline locate was necessary before the Dominion ground storage tank recoating project would start. The locate would be necessary to keep the elevated storage tank operational during project.

Mr. de Leon said he had reviewed the Ellingham sanitary sewer video and was in the process of defining the limits of rehabilitation. He noted that the cost of the project was part of the last bond issue. He said he would present a work order for engineering for the project at the August Board meeting.

After discussion, Director Wills moved to approve the engineering report as presented. Director Cameron seconded and all voted in favor of the motion.

Energy & Streetlights. There was nothing further to report.

Regional Matters. Director Cameron reported that he had attended the AWBD the virtual summer seminar. He noted that one presentation included a report that Denmark was working hard to reuse much of the country's wastewater and use captured rainwater.

Mr. Cameron reported that Senate Bill 3 required all Texas MUDs have an emergency preparedness plan in place by March 22, 2022 and implemented by July 2, 2022. He added that he had discussed the plan with Mr. Parrott, and Mr. Parrott had already started on the plan. He added that Senate Bill 3 also stated that, effective June 8, 2021, MUD's cannot charge late fees or disconnect services during cold weather periods that last for longer than twenty-four hours (with temperatures of 28 degrees or lower) but would allow MUD's to set up payment arrangements. Mr. Cameron reported that a bill to allow virtual meetings did not pass, and as of September 1, 2021, all meetings must be held in person.

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

STP's. President Cameron reported that the bid opening for the Cinco MUD trunkline rehabilitation project occurred on June 11th. The project was budgeted for \$1.5 million, and the low bid for the project was \$953,000.

Director Forsyth reported that WMMUD was working on the installation of a new automatic bar screen and the final stages of the installation of the new switch gear and generator. He reported that both plants serving the District were in compliance and operating normally.

Recreational Facilities. Mr. Hamblet informed the Board that the pool deck replacement project was not yet complete. He added that the District was withholding the remaining \$84,000 due on the contract until the project is complete. He said he had contacted Sweetwater Pools Inc. regarding the punch list, and they had not contacted him to date.

Mr. Parrott reported that the community center parking lot on Houghton Rd. had developed holes. He said he would have Quality Concrete cut out the asphalt and replace the subgrade and patch the asphalt. He added that he would have the parking lot resealed and restriped.

System Operations, Rates, Etc. Mr. Parrott reported that the District had pumped 24,834,000 gallons, with consumption of 23,907,600 gallons, leaving a total loss of only 926,400 gallons for the month, but 100 percent of the losses had been accounted for. He added that this was the first time the District had accounted for 100 percent of the losses, indicating the effectiveness of the new electronic meters. Director Forsyth reported that Ms. Lorraine had contacted residents that appeared on a leak report generated by the “Eye on Water” feature of the online meter system. He added that she had contacted 212 residents regarding leaks and that customers were pleased with the new electronic meter system. Ms. Lorraine informed the Board that she had sent screenshots of the “Eye on Water” feature to customers, and that had helped them in finding leaks (also in using the online system).

Mr. Parrott informed the Board he would be ordering two jockey pumps as there was one pump that was failing, and he would keep one as a spare. He added that the cost for each pump is approximately \$4,500. Mr. Parrott reported that the pressure switches for each well site had become unreliable. He said he had contacted an electrician, and the cost for replacing the switches with new digital switches was approximately \$2,500 per site.

Mr. Forsyth reported that the security system installation was mostly operational and nearly complete but had been delayed due to rain. He added that Directors would be able to view any camera at any time.

Administrative Matters. Mr. Dougherty reported that he had consulted with the President and staff and had prepared an amendment to the rate order to include sick leave and other policies. The draft amendment would allow: (i) five paid sick days per year, with accumulation of no more than 10 days per year and (ii) vacation days based on years of service, (iii) accounting procedures to be set by the President. The draft amendment also included a provision for special paid leave for COVID-19 situations based on federal guidelines allowing tax credits. After discussion, Director Cameron moved to adopt the draft amendments to the rate order as presented, but without the provision for COVID-19. Director Hamblet seconded, and the motion was unanimously passed. After further discussion, Director Cameron moved to adopt a modified provision for COVID-19 to allow up to ten additional paid days temporarily (until the end of 2021) and not tied to federal tax credits. Director Wills seconded, and the motion was adopted by a vote of three in favor, none against (Directors Hamblet and Connolly not voting).

Next Meeting: The ~~May-August~~ regular meeting was scheduled for Wednesday, August 11, 2021, at 7:30 PM.

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

REVIEWED AND APPROVED BY THE BOARD on

August 11th 2021

SIGNED: _____

