

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 the Mason Creek Community Center, 20201 Kingsland Blvd., Katy, Texas 77450, on **September 15, 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, except James Hamblet, thus constituting a quorum. Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of Bob Leared Interests; Cynthia Colondres of Municipal Accounts & Consulting; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; Alejandro Vera of Vera Industries 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 reported that the notice had been posted as required by the Texas Open Meetings Act. Director Wills moved to approve the August 11, 2021 regular meeting minutes as presented, and Director Cameron seconded. All voted in favor.

Hearings, Etc. To open the public hearing on the Vera contract matter, President Forsyth asked Mr. Dougherty to provide background information. Mr. Dougherty reported that a bid of \$141,645.50 had been submitted by Vera Industries LLC for the Sanitary Forcemain Project, and the contract had been awarded to Vera. He said Vera had submitted certificates of insurance with many deficiencies (not meeting the contract's insurance specifications.) He added that several attempts were made to get the insurance agency to correct the deficiencies, but the agency was apparently not able to provide certificates that would meet the insurance specifications. Mr. Dougherty noted that, per the contract documents, if the award was revoked, the bidder would be obligated to pay a bid security to the District. (Vera's bid security was 5% of the awarded amount, or \$7,082.28.) Mr. Vera informed the Board that he had several conversations with the insurance provider and the provider would not agree to change the certificates. He asked that the bid security be paid by Vera Industries rather than by an insurance claim. After discussion, Director Cameron moved to revoke the award, with payment of the bid security by Vera Industries. The motion was seconded by Director Wills, and all voted in favor of the motion.

President Forsyth provided an opportunity for anyone to be heard regarding delinquent utility accounts and account discontinuations. It was determined 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.

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

Mr. Dougherty presented a Master Resolution and signature cards for Central Bank. The master resolution included all five directors, Ms. Saccomen, and Mark Burton and Ghia Lewis of Municipal Accounts and Consulting. The signature card only contained signatures of the five directors. Mr. Dougherty recommended the resolution and signature card for Board authorization. After discussion, Director Wills moved to approve the Master Resolution and signature card for Central Bank as presented. Director Cameron seconded and all voted in favor of the motion.

Mr. Dougherty informed the Board that the 2009 Allegiance Bank Depository Order was not up to date for the proposed new accounts because the Order appeared to have been adopted only for certificates of deposit. He added that the 2009 Agreement required pledged collateral at the Federal Reserve Bank, but Allegiance was using a Letter of Credit (LOC) instead. He added that he had worked-up an updated Depository Order and Depository Agreement that would expressly authorize a Letter of Credit. After discussion, Director Connolly moved to authorize the adoption of the Depository Order and Depository Agreement, subject to receiving and accepting a revised Letter of Credit. The motion was seconded by Director Wills and carried by a unanimous vote.

Bills, Etc. Director Wills moved to accept the bills as presented (and authorize the checks prepared to pay them). Director Connolly seconded. The motion carried.

Taxes. Ms. Loaiza gave the Tax Assessor Collector report indicating that the total amount of TY 2020 taxes collected at the end of August was \$2,353,935.88, leaving FY 2020 taxes receivable at \$58,131.12 on August 31, 2021. Total reported receipts in August were \$3,667.06. The reported percentage of collection of the FY 2020 taxes was 99.1%. Checks were presented in the amount of \$11,311.94. 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.

Mr. Bill Blich presented proposed 2021 tax rate options, including both Debt Service and M&O tax rates. The Board also reviewed the status of the District's development, under the new tax law. After discussion by the Board, Director Cameron moved to adopt the following measure: "ORDER AND RESOLUTION MAKING FINDINGS AND DETERMINATIONS REGARDING DISTRICT STATUS; DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKE OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX; PROPOSING A TAX RATE; CALLING A PUBLIC HEARING; ETC." which included a determination of the District's status and a proposed tax rate of \$0.336 per \$100, of which \$0.036 would be for debt service and \$0.300 would be for maintenance and operations. The order also called a public hearing on the proposed tax rate for October 13, 2021. Director Connolly seconded the motion, and, the motion, carrying with it the adoption of the measure, passed, and carried by the following vote:

FOR: Directors Forsyth, Connolly, Cameron, Wills

AGAINST: (none)

ABSENT/NOT VOTING: Director Hamblet

A true copy of the measure, as adopted, was filed with records of the meeting. The notice of the public hearing was to be published in the *Katy Times* on Thursday, September 30, 2021.

Bonds, Notes, Etc. and Reimbursement. 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 the Notice to Proceed for the Brondesbury Lift Station Conversion Project had been issued on August 26, and the preconstruction meeting had been held on September 1st. He added that it would be several months before construction would begin due to long lead times for the required pumps.

Mr. de Leon reported that he recommended that due to the age of the building and generator, the Rennie Lift Station Project include (i) demolition of the current building (ii) new CMU building (iii) new generator (iv) new automatic transfer switch and (v) new service connections. After discussion, Director Connolly moved to authorize the modifications as presented, seconded by Director Wills and all voted in favor of the motion.

Mr. de Leon informed the Board that the work for the Kingsland Blvd. and Prince Creek Sanitary Sewer Rehabilitation Project had been completed. He recommended the Pay Application No. 3 (final) and a Certificate of Completion. Director Wills moved to authorize Pay Application No. 3 from Lopez Utilities Contractor LLC and approval of the Certificate of Completion as presented. Director Connolly seconded, and all voted in favor of the motion.

Mr. de Leon stated that, since the award for the Forcemain Replacement Project had been revoked, that perhaps the second lowest bidder be investigated. After discussion, Director Wills moved to authorize re-bidding the project, and authorize President Forsyth and Mr. Dougherty to work on the bid documents and review of the insurance specifications. Director Cameron seconded, and the motion was unanimously carried.

Mr. de Leon reported that the final walk-thru for the pool deck project was still pending due to inclement weather. After discussion, it was decided that the cracks and peeling paint would be addressed and repouring of the deck may have to be done.

Mr. de Leon reported that water line relocation for the Dominion Water Plant was complete, and the Dominion Water Plant Ground Storage Tank Recoat Project was ready to move forward.

He reported that he had contacted bond council regarding how to inform the residents about the 2020 Bond Election. He added that other districts had hired public relations firm to assist with public information. After discussion, Director Connolly moved to authorize President Forsyth, Mr. de Leon, and bond counsel to investigate hiring a public relations firm. Director Wills seconded and all voted in favor of the motion.

Mr. de Leon said he was coordinating with the surveyor to mark the affected areas for the Ellingham Sanitary Sewer Rehabilitation. He added that this project was part of the last bond issue.

Mr. de Leon presented, for Board approval, a work order for engineering services for the Emergency Response Plan. He added that it was the second step for complying with requirements set by the TCEQ, and the report must be filed by the end of the year. After discussion, Director Wills moved to authorize the work order as presented. The motion was seconded by Director Cameron and was carried by a unanimous vote.

Mr. de Leon presented utility request forms for projects that included Ostionera Michoacan No. 17 and El Tiempo Catina. He added that the 1.43-acre tract along Shillington would possibly be developed into Mason Garden Place, a 17-unit residential development. He said that the deposit (which should cover a feasibility study) had it been received, and he would proceed with providing that information.

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

Energy & Streetlights. There was nothing further to report.

Regional Matters. Director Cameron informed that Board about a USGS site (Google Station 08072470, site – usgs.gov) that provides images and information regarding the flow of Mason Creek at Prince Creek. He added that data for the entire state is available on that website.

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

STP's. Mr. Cameron reported that MUD#81 had presented a Summary of Capital Improvements over the next 10 years (2022 – 2031). He also reported that the Cinco Regional STP would also have capital improvements over the next four years. He said Cinco MUD#1 had filed an application relating to water reuse. He also reported that a preconstruction meeting regarding the sewer trunkline rehabilitation project had been delayed. He said the cost of the project was estimated at \$1 million. President 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 generator.

Recreational Facilities. Mr. Parrott reported that two large trees had been removed from the front of the community center, and the landscaper would be resodding the area. He also said an arborist had looked at the other large tree located at the front of the center, and it was determined that the tree would need to be removed sometime next year. Mr. Parrot said that an air conditioning drain line located in the Kingsland Room ceiling ruptured and caused water damage to the ceiling, but repairs had been scheduled. Ms. Saccomen asked for a Board decision regarding the continuation of rentals. After discussion, Director Connolly moved suspend renting the facility, with the question to be revisited on a month-to-month basis. Director Cameron seconded, and all voted in favor of the motion.

System Operations, Rates, Etc. Mr. Parrott reported that the District had pumped 30,391,400 gallons of water, with consumption of 30,277,000. gallons, leaving a loss of 114,400 gallons for the month. He stated that two jockey pumps had failed, but because of the lead time, he had ordered three pumps at a cost \$13,521. He also reported that two transfer electric motors were sent out for repair. The motor for the Houghton Water Plant transfer pump was not repairable, he said, so a new motor was ordered at a cost of \$15,300. The motor for Dominion Plant pump would be repaired at a cost \$8,983, he said. After discussion, Director Wills moved to approve the operators report as presented. Director Connolly seconded, and all voted in favor of the motion.

Administrative Matters. President Forsyth presented the annual District insurance and cyber security policy renewal from AJ Gallagher. He noted that there was a small increase in the premium cost of \$85,993. He noted that there was a minor discrepancy on the equipment list, and asked Mr. Parrott to review and make changes to the list. After discussion, Director Connolly moved to approve the annual district insurance policy renewal as presented, subject to the Operator's approval of the equipment list. Director Wills seconded, and the motion was unanimously carried. President Forsyth informed the Board that the air conditioning units at the community center had been upgraded with microfilters and air scrubbers to kill viruses and other microbes. President Forsyth informed the Board that the security system installation was 60 percent complete at the Dominion site, but the vendor was having difficulty in obtaining the cameras and other electrical equipment.

Next Meeting: The October regular meeting was scheduled for Wednesday, October 13, 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 October 13, 2021

SIGNED: 