

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 **March 16, 2022**, 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
James Kevin Nordhaus	Director

Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of Bob Leared Interests; Derek Davenport of McClennan and Associates; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; Mr. Charles Bowes, resident of the District; and Kasey Lorraine, Samantha 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. Lorraine reported that the notices of the meeting had been posted as required by the Texas Open Meetings Act. Director Cameron moved to approve the February 16, 2022, regular meeting minutes as presented, and Director Nordhaus seconded. All voted in favor.

Delinquencies, Etc. Delinquencies, Etc. Ms. Lorraine presented a list of delinquent accounts proposed for service discontinuation (for which notices, including an opportunity to be heard, had been sent). President Forsyth provided an opportunity for anyone to be heard regarding the delinquencies or discontinuations. After it appeared that no one wanted to be heard, Director Cameron moved that: (i) the amount shown on the list for each account be found to be correct and delinquent, and (ii) discontinuation of utility service be authorized for the accounts listed, unless a payment arrangement was agreed upon before discontinuation of service, in accordance with the District's standard operating procedures. The motion was seconded by Director Nordhaus and carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper's report including the cash disbursement report from February 17th, 2022, through March 16th, 2022. Mr. Davenport also presented the Investment Report for February 2022. He then reported that he was working with the Attorney on the letters from Arbitrage Compliance Specialist. He stated that he received two engagement letters for performing arbitrage services for the two 2020 bond issues. Mr. Dougherty stated that the letters called for one-time fees of \$450 per bond issue plus \$150 per year per bond issue, making the total for the first year \$1,200 and \$300 total per year after that. After discussion, Director Cameron moved to (i) authorize signing the engagement letters (ii) issue checks to pay both fees (iii) pay the annual fee of \$300. Director Hamblet seconded. The motion was carried by a unanimous vote.

After further discussion, Director Hamblet moved to accept the bookkeeper's report as presented, including the investment report for the period ending February 28, 2022, submitted by the Investment Officer, 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 Cameron seconded, and all voted in favor of the motion.

Bills, Etc. Director Connolly moved to accept the bills as presented (and authorize the checks prepared to pay them). Director Cameron seconded. The motion was carried by a unanimous vote.

Taxes. Ms. Loaiza gave the Tax Assessor Collector report indicating total TY 2021 taxes collected at the end of February were \$2,323,825.42, leaving TY 2021 taxes receivable on February 28, 2022, at \$112,475.90. Total reported receipts in February were \$155,559.70. Checks were presented in the amount of \$153,088.15. The reported percentage of collection of TY 2021 taxes was 97.03%. After discussion, Director Connolly 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. Dougherty presented a "RESOLUTION GRANTING AND CONFIRMING EXEMPTIONS FROM AD VALOREM TAXATION." The measure included a \$50,000 exemption of the appraised value of the residence homestead of each individual who is 65 or older and other exemptions. A motion was made and seconded to adopt the measure. After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

Ayes: Directors Forsyth, Hamblet, Connolly, Cameron and Wills
Nays: None
Absent: None

Mr. Dougherty also presented a “RESOLUTION EXTENDING CONTRACT FOR TAX ASSESSOR/COLLECTOR.” A motion was made and seconded to adopt the measure. After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

Ayes: Directors Forsyth, Hamblet, Connolly, Cameron and Nordhaus

Nays: None

Absent: None Mr. Dougherty also presented a “RESOLUTION EXTENDING CONTRACT FOR COLLECTION OF

DELINQUENT TAXES.” A motion was made and seconded to adopt the measure. After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

Ayes: Directors Forsyth, Hamblet, Connolly, Cameron and Nordhaus

Nays: None

Absent: None

Mr. Dougherty also presented a “RESOLUTION ADOPTING ADDITIONAL PENALTY FOR TAX COLLECTION COSTS.” A motion was made and seconded to adopt the measure. After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

Ayes: Directors Forsyth, Hamblet, Connolly, Cameron and Nordhaus

Nays: None

Absent: None

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

Water Supply & Regulations and Agreements. President Forsyth informed the Board that he had been made aware that the Strategic Partnership may have upcoming changes and that he would inform the Board as he receives information.

Engineering, Projects, Etc. Mr. de Leon informed the Board that construction was still ongoing for the Brondesbury Lift Station conversion project. He presented Pay Application No. 5 in the amount of \$118,500.00 and his recommendation for payment in the amount of \$106,650.00 (amount of pay application less 10% retainage). Mr. de Leon noted that he received an updated project schedule from Walsh Construction Company LLC with a contract completion date of March 24, 2022, but the company was requesting an extension due to supply chain issues. Mr. de Leon presented Change Order No. 1, which would extend the completion date by 35 days. He mentioned that the change order includes a contract price increase of \$5,470.00 for replacement of a liquid level sensor. After discussion, Director Connolly moved to authorize Pay Application No. 5 in the amount of \$106,650.00 and Change Order No. 1 as presented. Director Cameron seconded, and all voted in favor of the motion. He added that he received a proposal for inspecting the coating the lift station. He stated that the proposal was from the same coating inspector for the GST recoating project. After further discussion, Director Cameron approved the proposal for \$5,900. Director Connolly seconded and all voted in favor of the motion.

Mr. de Leon reported that the City of Houston approved the plans for the Rennie Lift Station. He noted that he was waiting on the Brondesbury Lift Station Conversion project to be completed before advertising for the Rennie Lift Station Conversion project. He added he would coordinate with the Operator.

Mr. de Leon stated that he was waiting contract documents and certificate of insurance from T Construction LLC for the Forcemain Replacement Project. Mr. Dougherty informed the Board that there were inconsistencies between the certificates and the insurance specifications. After discussion, Director Hamblet moved to accept the contract with the variations of the insurance coverage as presented and with the endorsements that were included. Director Cameron seconded. The motion was carried by a unanimous vote.

Mr. de Leon informed the Board that he was also waiting for the final punch list items to be addressed for the Pool Deck Replacement Project. Director Hamblet informed the Board that the subcontractor had dropped the project and that Sweetwater Pools was able to hire another subcontractor to continue with the project. He added that the completion should be by end of March.

Mr. de Leon stated that, for the GST recoating project, he was awaiting contract documents and certificates of insurance from the Contractor. He mentioned that the agent was out of town and wouldn't address comments until the following week.

Mr. de Leon informed the Board that he received comments from Harris County for the Ellingham Sanitary Sewer Rehabilitation Project and was still waiting for a response from the City of Houston. He added that once he receives comments from the City of Houston, he would address them and resubmit. He stated that his plan would be to request to advertise at the May Board meeting.

Mr. de Leon reported further on the Green Trail MUD topic. He presented a document describing the procedure for the test. He mentioned that he was coordinating with the MCUD Operator, the Green Trails MUD Engineer and the Operator for Green Trails MUD.

Mr. de Leon reported that there was a new tenant in the Jim R. Smith shopping center and presented a job assignment (under the engineering services agreement) relating to the utility letter and plan review (\$500). He also presented a job assignment for miscellaneous tasks in the Routine Basic Services category under the engineering services agreement (\$12,000). After discussion, Director Hamblet moved to approve the two job assignments. Director Cameron seconded, and all voted in favor of the motion.

Energy & Streetlights. President Forsyth reported that he would review the P3 contract before it expires.

Regional Matters. There was nothing to report.

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

STP's. President Forsyth reported that the WMMUD plant was operating in compliance. He stated that they were still setting up the new generator. He also reported that the operating district for the Cinco Regional STP was still in the process of repairing the trunkline.

Recreational Facilities. Director Hamblet reported that despite the delay with the subcontractor for the Pool Deck Replacement Project, that the completion date should be by the end of March and prior to the opening date of the 2022 Pool Season. He opened a discussion on the opening date of the 2022 Pool Season and 2022 Open House. Ms. Lorraine stated that she was getting quotes for food and promotional items.

Mr. Parrott informed the Board that work on the front tennis courts had been completed, and work on the back courts was underway with repair. He mentioned that some of the tennis court lights were out, and the manufacturer no longer covered replacement under warranty. He added that he was coordinating with the vendor to replace the faulty light fixtures.

Mr. Parrott also informed the Board that the last remaining oak tree in front of the MCCC had become a safety concern, as its age and rapid deterioration had caused large limbs to break off. He said he had received a quote from the landscaper to remove the tree for \$1,300.

System Operations, Rates, Etc. Mr. Parrott reported that, in February, the District had pumped 21,619,000 gallons of water and billed 20,441,801, with a net water loss of 5.4%.

Mr. Parrott stated that there were two vacancies in the Operations Department and that he recently hired an employee who had worked for the City of Rosenberg. He mentioned that he is searching for second employee.

Mr. Parrott informed the Board that he was scheduling Accurate Meter to test the commercial meters.

Administrative Matters. President Forsyth informed the Board that the Operating Account would be moved from Central Bank to Allegiance Bank, and that Allegiance had increased their pledged security (a letter of credit) to \$7.5 million.

He stated that Green Trails MUD had been invoiced for half the price of the new electronic interconnect meter.

He opened discussion on opening the District Office for regular scheduled meetings and for public access, including access for the purchase of pool tags for the 2022 Pool Season. After discussion, it was decided that an added security measure would be installed.

Next Meeting: The April regular meeting was scheduled for Wednesday, April 13, 2022, at 7:30 PM at the Mason Creek Community Center.

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

REVIEWED AND APPROVED BY THE BOARD on April 13, 2022.

SIGNED: _____

