

# 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 **May 11, 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; Hal Gordon, Delinquent Tax Attorney for the District; Brenton Stamper of Venturi Engineers LLC; Mr. Jim Walsh of Walsh Construction Co., 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 notices of the meeting had been posted as required by the Texas Open Meetings Act. Director Cameron moved to approve the April 13, 2022, regular meeting minutes as presented, and Director Nordhaus seconded. All voted in favor.

**Delinquencies, Etc. Delinquencies, Etc.** Ms. Saccomen 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 Hamblet 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 Cameron and carried by a unanimous vote.

Mr. Hal Gordon reported that ten delinquent tax accounts were candidates for water/sewer service termination. He formally requested Board approval to begin the termination process. After discussion, Director Hamblet moved to authorize Mr. Gordon to begin the termination process, seconded by Director Cameron, and all voted in favor of the motion. Director Cameron moved to accept the Delinquent Tax report as presented, seconded by Director Connolly, and all voted in favor of the motion.

**Directors Election.** The President confirmed that he had signed a "Certificate of Election" for each successful candidate. Ms. Saccomen reported that each successful candidate signed and filed a Written Statement as required by the Texas Constitution. Each candidate then signed his Oath of Office and Official Bond. Director Cameron moved to: (1) accept and approve the Written Statements, Oaths and Bonds filed by the two successful candidates and (2) find and determine "that that they have duly qualified for the office of Director of Mason Creek Utility District." Director Hamblet seconded, and the motion was unanimously carried. At that time the President opened a discussion regarding the designation of officers. He noted that Director Cameron had asked to step down as Assistant Secretary/ Treasurer and Investment Officer, so those positions would have to be designated, and the Investment Policy would have to be amended accordingly. He added that Director Nordhaus had agreed to hold those positions if the Board designated him to do so. After discussion, Director Hamblet moved to (i) re-appoint the existing President, Vice President, and Secretary; (ii) appoint Director Nordhaus as Assistant Secretary/Treasurer and Investment Officer; (iii) appoint Director Cameron as Energy Liaison and Assistant Treasurer; and (iv) approve and adopt the amended Investment Policy resolution as presented. The motion was seconded by Director Connolly and was carried by a unanimous vote.

Mr. Dougherty presented for re-adoption, the resolution and contract with TexPool and bank statements. After discussion, Director Cameron moved to readopt the TexPool resolution (including all updates and listing the Allegiance Bank accounts for funds transfers to and from TexPool) and authorize the Investment Officer to move funds to and from the TexPool accounts, with discretion in determining which pool to use for District funds. The motion was seconded by Director Hamblet and was carried by a unanimous vote.

**Bookkeeping, Funds, Etc.** Mr. Davenport presented the bookkeeper's report including the cash disbursement report from April 14<sup>th</sup>, 2022 through May 11<sup>th</sup>, 2022.

After further discussion, Director Connolly moved to accept the bookkeeper's report as presented. Director Cameron seconded, and all voted in favor of the motion. Director Cameron moved to accept the investment report for the period ending April 30, 2022, as presented and 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. The motion was seconded by Director Hamblet and was carried by a unanimous vote.

**Bills, Etc.** Director Hamblet 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 April were \$2,345,826.47, leaving TY 2021 taxes receivable on April 30, 2022, at \$89,755.21. Total reported receipts in April were \$6,394.12. Checks were presented in the amount of \$8,544.97. The reported percentage of collection of TY 2021 taxes was 98.22%. 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.

**Bonds, Notes, Etc. and Reimbursement.** There was no report or action.

**Water Supply & Regulations and Agreements.** There was no report or action.

**Engineering, Projects, Etc.** Mr. Stamper informed the Board that construction was still ongoing for the Brondesbury Lift Station conversion project. He informed the board that there was a problem acquiring one of the necessary valves. He noted that Mr. Walsh (present at the meeting) had ordered the valve in December of 2021, but he still hadn't received it. Mr. Stamper added that the supplier did not start production of the valve when he received the order, and it was unknown when the valve would be available. He said that he and Mr. Parrott were looking for other options. After discussion, Director Hamblet moved to authorize President Forsyth, Director Connolly, Mr. Parrott, and Mr. Stamper to continue to work toward getting the needed valve or an adequate substitution. The motion was seconded by Director Cameron and was unanimously carried.

Also, for the Brondesbury Lift Station conversion project, Mr. Stamper presented: (i) Change Order No. 3 that increased the contract price by \$8,600 for the addition of the sidewalk and increased the contract time by another 66 days (ii) Pay Application No. 7 in the amount of \$22,510.00 and (iii) his recommendation for payment in the amount of \$20,259.00 (amount of pay application less 10% retainage). After discussion, Director Hamblet moved to authorize payment in the amount of \$20,259.00 and Change Order No. 3 as presented. Director Cameron seconded, and all voted in favor of the motion.

Mr. Stamper reported that the Rennie Lift Station would be put on hold until the completion of the Brondesbury Lift Station conversion project.

Mr. Stamper reported that the sanitary sewer forcemain project had been completed a couple of weeks before, but because the contractor's means and methods changed, a change order was needed to match the work that was done. He presented Change Order No. 1 that decreased the contract price by \$2,715.00. After discussion, Director Hamblet moved to authorize Change Order No. 1 as presented, seconded by Director Cameron, and the motion was unanimously carried. Mr. Stamper presented Pay Application No. 1 in the amount of \$165,680.00 and his recommendation for payment in the amount of \$149,112.00 (amount of pay application less 10% retainage). Director Hamblet moved to authorize Pay Application No. 1 in the amount of \$149,112.00 as presented. Director Connolly seconded, and all voted in favor of the motion.

Mr. Hamblet informed the Board that the pool deck was nearing completion, and it wouldn't interfere with opening the pool for the swim team or the swim season.

Mr. Stamper stated that construction had started on the Dominion Plant GST Recoating project. He noted that once sandblasting began, it was found that the thickness of the coating was between 60-100 millimeters, which was much greater than the required 30 milliliter thickness. In discussions between Mr. Stamper, the contractor, and the third-party inspector, it was determined that a chemical would be needed to remove the old, very thick coating. Therefore, Mr Stamper presented Change Order No. 1 that increased the contract price by \$57,435.00 (for the additional labor, chemical and stripper), made other modifications listed on the change order, and increased the contract time by 15 days. After discussion, Director Hamblet moved to authorize Change Order No. 1 as presented, seconded by Director Nordhaus, and the motion was unanimously carried. Mr. Stamper presented Pay Application No. 1 in the amount of \$17,000.00 and his recommendation for payment in the amount of \$15,300.00 (amount of pay application less 10% retainage). Director Hamblet moved to authorize Pay Application No. 1 in the amount of \$15,300.00 as presented. Director Cameron seconded, and all voted in favor of the motion. Mr. Stamper also presented a job assignment 21-015b in the amount of \$1,850.00 for additional services required of the structural engineer. He said the structural engineer would determine the requirements for the center support and rafters of the GST. Director Hamblet moved to approve Job Assignment 21-015b and authorize Director Connolly (Job Liaison) to work with Mr. Parrott and Mr. Stamper regarding the structural engineer's findings. Director Cameron seconded, and all voted in favor of the motion.

Mr. Stamper informed the Board that all comments from Harris County and the City of Houston for the Ellingham Sanitary Sewer Rehabilitation Project had been answered, and he was still waiting for a response. Director Hamblet asked the Board's permission to be Project Liaison for the project and to be included in all communications regarding the project. The Board had no objections.

Mr. Stamper reported that he had requested the final report on the interconnection flow testing from to the Green Trail MUD engineer, but he hadn't heard back. President Forsyth informed the Board that he received documents from Mr. Diehl specifying Green Trails' requirements during their GST repairs. He noted that he had seen the draft report on testing and was awaiting the final report. He said he would forward the documents on to Mr. Dougherty for review.

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

President Forsyth asked the Board for permission to allow Mr. Diehl to use the Kingsland Room on May 23<sup>rd</sup> for meeting involving multiple water districts to discuss the development of Trietsch Park and Trail. Director Hamblet moved to authorize Mr. Diehl's use of the Kingsland Room on May 23<sup>rd</sup>, seconded by Director Cameron, and the motion was unanimously carried.

**Energy & Streetlights.** Director Cameron reported that the electric provider (GLO-Cavallo) had created a new pass-through charge that had been approved by PUC and ERCOT. He said it was designed as a surcharge to recoup the losses incurred from the severe weather event in February 2021 and would be charged to every member. He added that wind and solar power reportedly made up 34% of the dispatched power for the first quarter of 2022. He also noted that natural gas demand was up, while natural gas storage is down 15% below the five-year average.

**Regional Matters.** There was no report or action.

**Drainage, Detention/Retention.** There was no report or action.

**STP's.** President Forsyth reported that both the Cinco Regional STP and the WMMUD STP were operating in compliance. He reported that WMMUD was still waiting for bar screen parts.

**Recreational Facilities.** Ms. Saccomen reported that 344 pool tags had been sold to 72 paid families and that 21 new families had received complimentary tags. Ms. Saccomen reported that the refrigerator located in the West Room was not working and that she would arrange to have new one installed. Ms. Saccomen asked for clarification as to what rooms would be open during the open house and suggested only opening the West Room for tag sales. After discussion, the Board decided to have only the West Room open.

**System Operations, Rates, Etc.** Mr. Parrott reported that the Nova Paintings company had damaged power lines feeding the back shop area. He noted that the cost to repair the damage was over \$4,000, and he requested assistance in composing a letter and invoice. Mr. Dougherty noted there was a damage clause in the contract that covers such instances. President Forsyth asked Mr. Parrott and Mr. Dougherty to send an invoice for the costs to Nova Paintings. Mr. Parrott reported that in April, the District had pumped 27,237,000 gallons of water and that water billed was billed 26,852,300 gallons, leaving a net water loss of 1.41%. Mr. Parrott stated that the Board had already discussed all other items, so he had nothing further to report.

**Administrative Matters.** Ms. Saccomen reported that the office's network had failed two days before, but the District's IT company came out, found the needed part and had the network up and running by 11 am.

**Next Meeting:** The May regular meeting was scheduled for Wednesday, June 15, 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 Connolly seconded, and all voted in favor, thus passing the motion.

REVIEWED AND APPROVED BY THE BOARD on June 15, 2022.

SIGNED: \_\_\_\_\_

