

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 **June 15, 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
James K. Nordhaus	Assistant Secretary/Treasurer
John H. Cameron	Assistant Treasurer

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; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; Michelle Townes of McCall Gibson Swedlund Barfoot PLLC; and Susan Saccomen, Kasey Lorraine 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 Hamblet moved to approve the May 11th, 2022, regular meeting minutes as presented, and Director Cameron 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 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 Connolly and carried by a unanimous vote.

Mr. Hal Gordon reported that four of the six delinquent tax accounts that were candidates for water/sewer service termination had paid in full. He mentioned that the remaining two delinquent accounts had special circumstances and asked for the Board's approval to work with the delinquent accounts accordingly. After discussion, Director Cameron moved to authorize Mr. Gordon to make appropriate accommodations, seconded by Director Hamblet, and all voted in favor of the motion.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper's report including the cash disbursement report from May 11th, 2022, through June 15th, 2022.

After discussion, Director Connolly moved to accept the bookkeeper's report as presented. Director Cameron seconded, and all voted in favor of the motion.

Mr. Davenport presented the proposed budget for fiscal year ending June 30, 2023. Mr. Dougherty advised that the Board update the proposed budget to match new legal requirements specific to newspaper publications, lobbying expenses, etc., also disclosure requirements imposed by a major tax law adopted in 2019. After discussion, Director Cameron moved to approve the budget for fiscal year ending June 30, 2022, as presented, including changes proposed; the motion was seconded by Director Connolly; and the motion was carried unanimously.

Audits, Financial Reports, Management Letters. Ms. Townes of McCall Gibson Swedlund Barfoot PLLC presented the engagement letter for performing the annual audit for the District for the fiscal year ending June 30, 2022. She noted that the cost, procedures, and audit would be performed as they were for the fiscal year ending June 30, 2021. After discussion, Director Connolly moved to approve the engagement letter as presented, seconded by Director Cameron, and the motion was passed.

Bills, Etc. Director Cameron moved to accept the bills as presented (and authorize the checks prepared to pay them). Director Connolly 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 May were \$2,351,470.69 leaving TY 2021 taxes receivable on May 31, 2022, at \$83,832.66. Total reported receipts in May were \$8,033.30. Checks were presented in the amount of \$14,127.17. The reported percentage of collection of TY 2021 taxes was 98.42%. After discussion, Director Cameron moved to approve the Tax Assessor Collector's report as presented (and authorize the checks presented). Director Hamblet seconded, and all voted in favor of the motion.

Ms. Loaiza informed the Board that she received the preliminary values from Harris County Appraisal District. She stated that the preliminary values and the projected personal property from Bob Leared Interest from the previous year totaled \$817,524,805.00; a 15.5% increase from the previous year.

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

Water Supply & Regulations and Agreements. Mr. Dougherty stated that the Green Trails MUD engineer had concluded that the supply available from the District would be sufficient if all plants and well sites are fully operational. He stated that the new contract Green Trails had presented overlapped the existing agreement in place. He stated that some items are minor and could be sorted out, however, the proposed price was less than the existing agreement, and it would be fixed (not adjustable to reflect inflation or other rate changes imposed in the District). After discussion, Director Connolly moved to authorize a letter with the existing “volume” rate of \$2.07 per thousand gallons (plus “pass-throughs”) until December 23rd. Director Hamblet seconded, and all voted in favor of the motion.

Ms. Saccomen then informed the Board that recent GRP rates with the City of Houston would likely increase more than once within a years’ time. She stated that to alleviate one large rate order increase, she recommended small rate increases in August, December, and March. The President asked that a rate order amendment be prepared and brought back to the Board for its consideration.

Engineering, Projects, Etc. Mr. de Leon informed the Board that construction was still ongoing for the Brondesbury Lift Station conversion project. He said there was a problem acquiring one of the necessary valves. He noted that there was an alternate, temporary solution until the valves are received and could be done at no cost to the District. He also presented Pay Application No. 8. After discussion, Director Connolly moved to approve Pay Application No. 8 as presented. Director Cameron seconded. The motion carried by a unanimous vote.

Mr. de Leon requested authorization to advertise the Rennie Drive Lift Station project pending completion of the Brondesbury Lift Station conversion project. He stated that the projected advertisement would be in September.

Mr. de Leon reported that the sanitary sewer forcemain project had been completed, and he presented the final Pay Application and Certificate of Completion. After discussion, Director Connolly moved to approve both the final Pay Application and Certificate of Completion. Director Nordhaus seconded, and all voted in favor of the motion.

Mr. de Leon informed the Board that the pool deck was nearing completion, and that the final walk through was awaiting an inspection.

Mr. de Leon stated that work was continuing on the Dominion Plant GST Recoating project. He presented Pay Application No. 2. After discussion, Director Connolly moved to approve Pay Application No. 2 as presented. Director Nordhaus seconded, and all voted in favor of the motion.

Mr. de Leon 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 approved. He requested permission to advertise the project. After discussion, Director Connolly authorized advertisement of the project. Director Nordhaus seconded, and all voted in favor of the motion.

Mr. de Leon reported that he was still waiting for the final report on the interconnection flow testing from the Green Trails MUD engineer and had coordinated with the attorney and the District Operator regarding the interconnect agreement.

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

Energy & Streetlights. Director Cameron informed the Board that the price of natural gas was projected to increase in 2022 and decrease in 2023.

He also noted that the “Power To Choose” website had an average of 18.4 cents per kwh, which was a 10.5-cent increase compared to 2021. He also stated that the P3 contract would expire in January 2023, and P3 is underway with getting prices for a new contract.

Regional Matters. Mr. Cameron informed the Board that he had spoken with Mr. Savage about the Barker Reservoir Project. He stated there would be increased capacity. He also mentioned lawsuits filed by property owners.

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’s generator was fully operational.

Recreational Facilities. There was nothing to report.

System Operations, Rates, Etc. Mr. Parrott reported that in June 2021, the District pumped 26 million gallons and that in the first half of June, 2022, the District pumped 22 million gallons. He stated that the last drought contingency plan was adopted in 2000 and amended in 2018 but lacked some specifics. After discussion, Director Hamblet moved to authorize Mr. Parrott to work with the Engineer, the attorney, and a liaison to update the Drought Contingency Plan and to authorize notice a Stage 1 voluntary water conservation notice to be given to District customers. Director Connolly seconded, and all voted in favor of the motion.

Administrative Matters. Mr. Parrott informed the Board that the District's new employee had reached his 90-day probationary period and recommended the Board increase the pay rate. After discussion, Director Cameron moved to approve the increase pay rate as discussed. Director Nordhaus seconded. The vote passed unanimously.

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

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

SIGNED:  _____