

MASON CREEK UTILITY DISTRICT

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B.C. Connolly
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MINUTES Meeting of the Board of Directors

The Board of Directors (“Board”) of Mason Creek Utility District of Harris County, Texas (“District”) convened in a **scheduled regular meeting** at the Mason Creek Community Center, 20201 Kingsland Blvd., Katy, Texas 77450, on **October 12, 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

and all of the members were present, thus constituting a quorum.

Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of BLICO, Inc., the District’s tax assessor-collector; Derek Davenport of McClennan and Associates; Jose de Leon of Venturi Engineers LLC; Susan Saccomen and Jamie Parrott of the MCUD staff; and Frederick Castellano, a resident of the District. 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 September 14, 2022, regular meeting minutes as presented, and Director Nordhaus seconded. The motion passed.

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 Nordhaus and carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for September 15th, 2022, through October 12th, 2022.

Mr. Davenport informed the Board that one of the District’s checks (number 9789) written from the Allegiance General Fund Account had been fraudulently altered, presented, and paid. He recommended the District use Positive Pay on their checking accounts to prevent that from occurring in the future. Mr. Davenport explained that with Positive Pay, the bookkeeper provides a list of authorized checks to the bank. President Forsyth informed that Board that he had already gone to Allegiance and set up Positive Pay.

Mr. Davenport presented the investment report for the period ending September 30th, 2022. Director Cameron moved to accept the investment report, as presented, 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 Hamblet seconded. The motion passed unanimously.

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

Bills, Etc. Director Hamblet 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 September were \$2,141.61, leaving TY 2021 taxes receivable on September 30, 2022, at \$60,627.84. Total reported receipts in September were \$3,099.62. The reported percentage of collection of TY 2021 taxes was 99.11%. Ms. Loaiza presented Tax Account checks in the amount of \$10,536.09. Director Hamblet moved to approve the Tax Assessor Collector’s report as presented (and authorize the checks presented). Director Connolly seconded, and all voted in favor of the motion.

Public Hearing on Proposed Tax Rate. President Forsyth formally opened a public hearing on the proposed tax rate. It was explained that the proposed tax rate was \$0.312 per \$100 of taxable value, composed of \$0.281 for M&O and \$0.031 for Debt Service. Also presented was the Publisher's Affidavit showing that the notice of the public hearing and proposed tax rate were published on September 29, 2022, in *The Katy Times*. President Forsyth asked for public presentations or comments, but there was none offered. President Forsyth then closed the public hearing. At that point, the following measure was introduced for consideration of the Board: ORDER LEVYING TAXES. Director Cameron moved, seconded by Director Hamblet, that the measure be approved and adopted and that the officers of the District be authorized to sign, attest and certify 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, Cameron, Connolly, Nordhaus

Nays: (none)

Absent/not voting: (none)

A copy of said measure, as adopted, signed and attested was filed. Mr. Dougherty presented an amended District Information Form for Director's signatures, as approved by the ORDER LEVYING TAXES. He noted that the District Information Form would be recorded in the Harris County Real Property Records to give formal notice of the District's tax rate. The Directors signed and acknowledged the District Information Form.

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

Water Supply & Regulations and Agreements. President Forsyth reported that Green Trails MUD would be opening the interconnect in the next few weeks. He said the District would be supplying Green Trails MUD with water for the next three months while it performs repairs to its system.

Engineering, Projects, Etc. Mr. de Leon informed the Board that the temporary valves had been installed, and the bypass pumps had been removed at the Brondesbury Lift Station. He added that the lift station was operational, and he had provided a punch list to the Walsh Construction firm, the contractor for the project, and Walsh was addressing the punch item list. He added that the project was still scheduled to be completed sometime in January.

He also reported that the bid opening for the Rennie Drive Lift Station project had taken place on September 16th. He noted that there were seven bids submitted, and that a bid summary had been compiled and attached to his report. After discussion, Mr. de Leon asked for more time to investigate the bidders and bring a recommendation on the award to the Board at the November meeting.

Mr. de Leon presented a recommendation on the Certificate of Completion and final pay application for the Pool Deck Replacement project. He added that all the required affidavits had been submitted by Sweetwater Pools, Inc. Director Hamblet noted that he was previously authorized to approve the final payment for the deck replacement, and he approved the final payment to Sweetwater Pools, Inc.

Mr. de Leon informed the Board that the pre-construction conference for the Ellingham Sanitary Sewer Rehabilitation Project was held on October 4, 2022, and construction was underway. He noted that he had received video of the sewer lines that day, and it was under review.

He reported that he had addressed comments from the Project Liaison and the District Operator for the Drought Contingency Plan and had submitted the plan to the District's attorney for final review.

Mr. de Leon informed the Board that the report for the Green Trails MUD interconnection had been submitted to TCEQ for interim approval, and TCEQ had approved it. He said he had forwarded all correspondence to the GTMUD engineer.

Mr. de Leon said he had received approval from Harris County for the emergency waterline repair at the intersection of Rustic Knolls Drive and Prince Creek Drive and had received TCEQ emergency approval. Ms. Saccomen added that Tackle Construction, Inc., had picked up the contract documents on October 11th. Mr. Dougherty informed the Board that he was corresponding with Tackle and its insurance carrier regarding the completion of the contracts and the certificates of insurance.

Mr. de Leon also mentioned that he received approval from Harris County and TCEQ emergency approval for the emergency waterline repair located at Rennie Road and Wickham Court. He noted he had received two bids for the project, one which was from Tackle Construction, Inc. He said that the Tackle Construction bid was \$10,000 higher than the bid from T Construction. He added that T Construction was currently working on the Ellingham Sanitary Sewer project, and he was concerned that it would be overwhelming for T Construction to be working on both projects simultaneously. He recommended the District award the contract to Tackle Construction, Inc. since the project will be almost identical to the waterline repair on Cranfield Dr. two years previously. After discussion, Director Connolly moved to award the project to Tackle Construction, Inc. Director Nordhaus seconded, and the motion was unanimously carried.

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

Energy & Streetlights. Director Cameron provided an update on the Public Power Pool. He stated that the market's activity related to natural gas production had improved the overall outlook. He mentioned that reports indicated that Texas regulators had approved only

\$478 million out of \$12 billion for grid improvements because of concerns about raising residential utility bills. He noted that P3 was anticipating supply chain interruptions and would develop a plan of action to act quickly should interruptions occur.

Regional Matters. There was nothing to report.

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.

System Operations, Rates, Etc. Mr. Parrott reported that, in August, the District had pumped 34,404,000 gallons of water and had total consumption of 28,067,900 gallons, leaving a net water loss of 6.3 million gallons or 18 percent. He noted that the high loss was attributed to the two large breaks at the intersections of Rustic Knolls-Prince Creek and Rennie-Wickham.

Mr. Parrott informed the Board that TCEQ was requiring lead and copper sampling every three years. He mentioned that, out of 20 homes sampled, one failed. He stated that additional samples were taken and sent for testing. He said he was awaiting the results.

Mr. Parrott recommended that the District replace two of the District's older trucks; the 2010 Ford F350 and the 2012 Toyota. He recommended two one-ton trucks as replacements for both trucks. He noted that it would take approximately six months to receive the trucks once they were ordered. Mr. Parrott would get quotes from local dealers and from Buy Board and bring his findings to the Board.

Administrative Matters. Mr. Dougherty reported that the District's auditor, Noel Barfoot of McCall Gibson Swedlund and Barfoot PLLC, had contacted him to reschedule the presentation of the District's annual audit. Mr. Dougherty explained that the audit must be filed with the STCEQ no later than 135 days after fiscal year end. Ms. Saccomen recommended the Board move the November regular meeting date to Thursday, November 10th. After discussion, President Forsyth made a motion to reschedule the November meeting to Thursday, November 10, 2022. Director Connolly seconded the motion, and the motion was adopted.

Ms. Saccomen reported that the contract with Best Trash, LLC was up for renewal, and the company was requesting approval of a 4.6% rate increase, which would result in a monthly cost of \$29 per home. Director Hamblet said he thought the requested rate increase was reasonable and supported by increases in costs. After discussion, Director Hamblet moved to approve the requested rate increase. Director Connolly seconded, and the motion was unanimously carried.

Ms. Saccomen presented a quote from a Carrabbas restaurant for the Christmas event. She noted it was for approximately \$2,000 and included appetizers, entrees, and desserts. After discussion, Director Hamblet moved to approve the tentative quote from Carrabbas. Director Connolly seconded, and all voted in favor of the motion.

Mr. Dougherty reported that Director Hamblet wanted to submit a letter of resignation effective that day. Mr. Hamblet signed the letter and recommended Frederick J. Castellano to fill his position. He added that Mr. Castellano was highly qualified for the position and would serve the Board well. Director Connolly moved to accept Director Hamblet's resignation. Director Nordhaus seconded, and all voted in favor of the motion. Director Connolly moved to appoint Mr. Castellano to fill the vacancy for the unexpired portion of Mr. Hamblet's term. Mr. Castellano signed and filed his written statement with Ms. Saccomen. He then took the Oath of Office and signed his Official Bond. Director Nordhaus moved to accept and approve Mr. Castellano's written statement, oath and bond and to find and determine that Mr. Castellano had qualified to hold the office of Director. Director Connolly seconded, and all voted in favor.

Next Meeting: The November regular meeting was rescheduled for Thursday, November 10, 2022, at 7:30 PM at the Mason Creek Community Center.

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

REVIEWED AND APPROVED BY THE BOARD on November 10, 2022.

SIGNED: _____

