

MASON CREEK UTILITY DISTRICT

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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 Utility District 847 Dominion Dr., Katy, Texas 77450, on **April 12, 2023**, at 6:30 P.M. The duly elected members of the Board of Directors were:

Len Forsyth	President
Brian C. Connolly	Vice President
James K. Nordhaus	Secretary/Treasurer
Fredrick Castellano	Assistant Treasurer
John H. Cameron	Director

and all 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; Hal Gordon, Delinquent Tax Attorney for the District; Derek Davenport of McClennan and Associates; Jose de Leon of Venturi Engineers LLC; 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 Cameron moved to approve the March 8, 2023, regular rescheduled meeting minutes as presented, and Director Connolly seconded, and the motion was passed.

Hearings (Drought Contingency Plan). Ms. Saccomen reported that the notices of the hearing had been posted not only on the District's website but also at the District's office. President Forsyth opened the hearing and called upon the attorney. The attorney reported on the background and text of the proposed plan. The President then provided an opportunity for anyone to be heard regarding the Drought Contingency Plan. After questions and discussion, President Forsyth closed the hearing.

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 Connolly 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 Connolly moved to authorize Mr. Gordon to begin the termination process, seconded by Director Nordhaus, 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.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper's report including the cash disbursement report for March 8th, 2022, through April 12th, 2023.

Mr. Davenport also presented the investment report for the period ending March 31st, 2023. 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 Connolly seconded. The motion passed unanimously.

Ms. Saccomen stated that many accounts would be moved to Stellar Bank, where the District would have the ability to transfer funds, documentation submitted to the Board and Board action prior to transfer. After investigation, Mr. Dougherty said he had located a resolution that was signed previously and would allow Ms. Saccomen to make such transfers between accounts in the name of the District.

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

Bills, Etc. Director Conolly 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 2022 taxes collected at the end of March were \$2,570,250.61, leaving TY 2022 taxes receivable on March 31st, 2023, at \$109,749.72. Total reported receipts of TY 2022 taxes in March were \$28,327.67. The reported percentage of collection of TY 2022 taxes was 97.6%. Checks were presented in the amount of \$39,726.74. 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. de Leon informed the Board that delivery of the valves and completion of punch list items were still pending for the Brondesbury Lift Station Conversion Project. He also mentioned that he was reviewing submittals and awaiting the contractor's schedule. The Board discussed and reviewed the plat and easement for Rennie Park. No action was taken.

Mr. de Leon reported that an emergency waterline replacement project had been completed. He stated that all items had been addressed. He also mentioned that he was awaiting the final pay application from the contractor.

Mr. de Leon also reported that he was working with Mr. Dougherty on the required documents for Section 1 of the cleaning and televising project and requested approval to advertise the project on April 20th and April 27th. He also asked to schedule the pre bid conference on May 2nd and the bid opening on May 9th. He said he would bring his recommendation to the May 17th regular scheduled meeting. After discussion, Director Connolly made a motion to advertise per Mr. de Leon's recommendation. Director Cameron seconded, and all voted in favor of the motion.

Mr. de Leon discussed the proposed Sanitary Sewer Rehabilitation for Section 6 and presented Job Assignment No. 23-038. After discussion, Director Cameron moved to approve Job Assignment No. 23-038 and move forward with the Section 6 Sanitary Sewer Rehabilitation. Director Connolly seconded, and the motion passed unanimously.

Mr. de Leon also reported that the inspection for the elevated storage tank had been completed, and he was awaiting the report. He said he had spoken with someone regarding the utility information letter for the Mason Garden Place plat. There was no action taken.

After further discussion, Director Cameron moved to accept the engineering report. Director Connolly seconded, and the motion passed unanimously.

Energy & Streetlights. Director Cameron reported that the April 11th P3 meeting included a report about a 50% reduction in natural gas prices. He stated that electricity prices had yet to reflect the reduction in the price of natural gas. He mentioned that the Texas Senate passed two bills, both favoring the expansion of natural gas-fueled generation plants. He also informed the Board that ERCOT would be increasing its capacity projections by the end of the year going into 2024. He also mentioned House Bill 1312 relating to the location of Board meetings.

Regional Matters. There was no report or action.

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

STP's. President Forsyth reported that the WMMUD plant and the Cinco Regional STP were operating normally.

Recreational Facilities, Etc. Mr. Parrott reported that receipt of new light poles for the tennis courts was still pending. He stated that once received, he would coordinate an installation date with the Tennis Committee and the Board. He informed the Board that the patio roof at the Mason Creek Community Center had shown water damage and failed decking, and he would be meeting a contractor to inspect for other possible damages at all sites. He stated that a quote would be presented upon inspection. Mr. Parrott presented a quote in the amount of \$24,800 to repair the bathroom roof near the tennis courts and stated that the new roof would include added ventilation, privacy, and lighting. After discussion, Director Cameron moved to approve the quote. Director Connolly seconded, and all voted in favor of the motion. Mr. Parrott also informed the Board that the maintenance and operations crew would begin preparing for the Open House in the coming weeks.

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped in March was 23,355,000 gallons, and consumption was 23,317,036 gallons, leaving a water loss of 37,964 or 0.16 %.

Mr. Parrott presented quotes for options to have privacy fencing installed along the fence line at the Houghton Well site. After discussion, Director Connolly moved to authorize the installation of an eight-foot-high wood fencing in the amount of \$13,230 and an additional \$2,100 to rebuild the western gate. Director Nordhaus seconded, and all voted in favor of the motion. Also at the Houghton

Water Plant, Mr. Parrott reported that the second booster pump was removed for inspection, and he presented a quote in the amount of \$7,585 to rebuild it. He stated that he had authorized the repairs, and the pump would be installed in the next few weeks. Mr. Parrott also reported that the 200-hp north well motor had failed. He stated that upon inspection, it was determined that it could not be rebuilt. He also stated that he was able to locate a new motor for the estimated amount of \$25,085.00. After discussion, Director Cameron moved to authorize the purchase of the new motor. Director Connolly seconded, and the vote passed unanimously.

Mr. Parrott informed the Board that the foundation work for the operations building had been completed, and he presented a quote to repair make other repairs in the amount of \$5,800. No action was taken.

Mr. Parrott also informed the Board that the push-type sewer camera was broken. He stated that he had spoken with the manufacturer and determined that the model was no longer in production. He presented a quote to replace the unit in the amount of \$10,461. Director Connolly moved to authorize the purchase of the new equipment. Director Cameron seconded, and all voted in favor of the motion.

Administrative Matters. Ms. Saccomen reported that fliers and schedules would be included with the following month's water bills.

Mr. Dougherty presented a draft to make additional changes within the rate order. Ms. Saccomen included a recommendation to increase the price per hour for the Houghton and West Room. After discussion, Director Cameron moved to amend the Rate Order as proposed. Director Connolly seconded, and the motion passed unanimously.

Ms. Saccomen reported that the Human Resources contract was on a month-to-month basis. She stated that there had been discrepancies between the Directors and employees' payroll. After discussion, Director Cameron moved to formally cancel the agreement/contract. Director Connolly seconded, and all voted in favor of the motion.

President Forsyth informed the Board that annual pay increases had been discussed in March. He stated that the pay increases would require Board approval. He also asked for approval of the repositioning of a part-time employee as a full-time employee. After discussion, Director Cameron moved to approve the pay increases as discussed and the repositioning of the part-time employee. Director Connolly seconded, and the motion was passed unanimously.

Next Meeting: After discussion, Director Connolly moved to approve the regular meeting for Wednesday, May 17, 2023, at 6:30 PM at the District's office. Director Cameron seconded, and the vote passed unanimously.

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

May 17, 2023

SIGNED:

