

# 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 **regular meeting** at 847 Dominion Dr., Katy, Texas 77450, on **May 17, 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 except James K. Nordhaus, 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 and Brenton Stamper of Venturi Engineers 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 Connolly moved to approve the April 12, 2023, regular meeting minutes as presented. Director Cameron seconded, and the motion was passed. Director Cameron moved to approve the May 3, 2023, special meeting minutes as presented, and Director Castellano seconded, and the motion was passed.

**Hearings.** There was no report or action.

**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 Castellano and was carried by a unanimous vote.

**Bookkeeping, Funds, Etc.** Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for April 13<sup>th</sup>, 2022, through May 17<sup>th</sup>, 2023.

Mr. Davenport also presented the investment report for the period ending April 30<sup>th</sup>, 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 Castellano seconded. The motion passed unanimously.

Mr. Davenport presented the draft budget for FYE 2024. He was asked to make changes to the draft budget to include the budgets for the taxes and capital projects. Ms. Saccomen said she would send the changed draft budget and the prior year’s approved budget to the Directors, Mr. de Leon, Mr. Stamper and Mr. Parrott.

After discussion, Director Cameron moved to accept the bookkeeper’s report as presented. Director Connolly 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 2022 taxes collected at the end of April were \$2,565,554.12, leaving TY 2022 taxes receivable on April 30<sup>th</sup>, 2023, at \$101,179.95. Total reported receipts of TY 2022 taxes in April were \$9,874.38. Checks were presented in the amount of \$13,500.11. The reported percentage of collection of TY 2022 taxes was 97.96%. Ms. Loaiza said that the tax delinquency notices had been sent to all delinquent accounts. She added that after July 1<sup>st</sup>, an

additional 20 percent penalty would be applied to delinquent accounts. 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 for the Brondesbury Lift Station Conversion Project was still on track for a July delivery.

Mr. de Leon reported that the contractor for the Rennie Lift Station Conversion project was waiting to receive materials, and construction was scheduled to begin in January 2024.

Mr. de Leon reported that the Rustic Knolls and Prince Creek Emergency Waterline Replacement Project had been completed. He presented Change Order No. 1, which increased the contract price by \$6,240.00 because of the increased amount of street replacement required by Harris County. After discussion, Director Connolly moved to authorize Change Order No. 1 as presented. Director Cameron seconded, and all voted in favor of the motion. Mr. de Leon presented and recommended the Final Pay Application in the amount of \$45,402.50. After discussion, Director Connolly moved to authorize the final pay application. Director Cameron seconded, and the motion was passed unanimously.

Mr. de Leon reported that the Rennie and Wickham Emergency Waterline Replacement Project had been completed. He presented and recommended the final pay application in the amount of \$131,500.00. After discussion, Director Connolly moved to authorize the final pay application. Director Cameron seconded, and the motion was passed unanimously.

Mr. de Leon also reported that three bids were received for the Section 1 sanitary sewer cleaning and televising project. He said he was working with Mr. Dougherty on reviewing the bids and was gathering more information. He said he would bring a recommendation on award to the Board at the June meeting.

Mr. de Leon reported that the survey and preliminary design for the Sanitary Sewer Rehabilitation for Section 6 was underway.

Mr. de Leon presented Job Assignment No. 23-001A which would amend the current engineer's miscellaneous services job assignment. He asked for an increase in the amount of \$12,000. He explained that the increased number of District projects required more oversight and time by the engineers. After discussion, Director Connolly moved to approve Job Assignment No. 23-001A. Director Castellano seconded, and the motion passed unanimously.

Mr. de Leon also reported that after review of the elevated storage tank inspection report, he did not recommend recoating the tower at that time, but it needed to be recoated in the next three or four years.

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

**Energy & Streetlights.** Director Cameron said that reports at the May 9<sup>th</sup> P3 meeting indicated that natural gas prices were stagnant. He stated that electricity prices had continued to stay elevated, diverging from natural gas prices, with regulatory uncertainty being the key factor. He mentioned that ERCOT was projecting record electricity consumption for the upcoming summer and that use of wind and solar would be necessary to meet peak demand.

**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. Mr. Dougherty presented a one -year stop-gap First Amendment to the West Memorial MUD sewage treatment contract. He noted that the current contract expires in August of the current year, and it would be necessary to work and sign a long-term amendment. After discussion, Director Connolly moved to authorize and approve the First Amendment as presented. Director Castellano seconded, and the motion carried unanimously.

**Recreational Facilities, Etc.** Mr. Parrott reported that the insurance company had denied the claim for repairs to the roof of the Community Center's main building. He added that, although there was damage to the roof, it was classified as a maintenance issue. He presented a quote for repairs to the building's roof of \$18,590.00. After discussion, Director Cameron moved to authorize the quote for roof repairs as presented. Director Connolly seconded, and all voted in favor of the motion.

Mr. Parrott reported that the replacement of the tennis court restroom roof was scheduled to begin within the week. He added that during the repairs to the bathrooms, the remaining nine tennis court light poles would be replaced with the new breakover poles purchased the prior year. He said that a lift was needed to install the poles at a cost of \$11,106.00, and that the cost for the electrician to install the lights on the new poles was \$8,000.

Mr. Parrott informed the Board that a portion of the Kingsland Room floor was buckling, and he would need to pull up the carpet to inspect the area.

Mr. Dougherty informed the Board that discussions regarding the certificate of insurance for the Sweetwater Pool Inc. contract were ongoing. He added that an updated certificate was expected to be sent by May 18<sup>th</sup>.

**System Operations, Rates, Etc.** Mr. Parrott reported that the total water pumped in April was 24,415,000 gallons, and consumption was 23,441,727 gallons, leaving a water loss of 973,273 or 3.99 %.

He said that the elevated storage tank inspection was complete, and the tank was back online.

Mr. Parrott said that an insurance claim for the Houghton water plant well motor was submitted, and he was awaiting a decision.

He noted that the inspection of the motor for the second booster pump was completed, and the only repair required was the replacement of a bearing. He added that once the pump was installed and operational, the third motor and pump would be taken offline and inspected.

Mr. Parrott reported that on May 2<sup>nd</sup>, a contractor for AT&T hit an eight-inch waterline at the intersection of Westgreen and I-10. He added that the leak caused an estimated 600,000-gallons of water loss. He said he would send AT&T an invoice for the damages once he had received all the invoices related to the leak.

Mr. Parrott presented updated quotes for the privacy fence installation at the Houghton plant site. He recommended the lower quote of \$17,000 from Semper Fi Fences. After discussion, Director Connolly moved to authorize the quote from Semper Fi as presented. Director Cameron seconded, and all voted in favor of the motion.

**Administrative Matters.** Ms. Saccomen reported that since the human resources contract was ending on June 30<sup>th</sup>, she would like to coordinate transferring payroll over to the bookkeeper with Mr. Davenport. After discussion, Director Cameron moved to authorize Ms. Saccomen to work with Mr. Davenport on the transition. Director Connolly seconded, and the motion was unanimously adopted.

**Next Meeting:** After discussion, Director Connolly moved to approve the regular meeting for Wednesday, June 14, 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 Cameron moved to adjourn. Director Connolly seconded, and all voted in favor, thus passing the motion.

REVIEWED AND APPROVED BY THE BOARD on

June 14, 2023

SIGNED:

