

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 **June 14, 2023**, at 6:30 P.M. The duly elected members of the Board of Directors were:

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|---------------------|---------------------|
| 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 Frederick J. Castellano, thus constituting a quorum.

Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of BLICO, Inc. Hal Gordon, Delinquent Tax Attorney for the District; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; and Kasey Lorraine, Samantha 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. Lorraine reported that the notices of the meeting had been posted as required by the Texas Open Meetings Act. Director Connolly moved to approve the June 14, 2023, regular scheduled meeting minutes as presented, and Director Cameron seconded, and the motion was passed. Director Connolly moved to approve the May 30, 2023, scheduled special meeting minutes as presented, and Director Cameron seconded, and the motion was passed.

Delinquencies, Etc. Ms. Lorraine 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 was carried by a unanimous vote.

Mr. Hal Gordon reported that six of the seven delinquent tax accounts that were candidates for water/sewer service termination had either paid in full or requested an installment arrangement. He mentioned that the remaining delinquent account had received variations of notices. He mentioned that he had not received payment or any response to the notices sent. Mr. Gordon asked for the Board's approval to continue the termination process. After discussion, Director Cameron moved to authorize Mr. Gordon and Ms. Lorraine to provide appropriate accommodation if the delinquent resident responds accordingly. The motion was seconded by Director Connolly seconded, and all voted in favor of the motion.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper's report including the cash disbursement report for May 17th, 2023, through June 14th, 2023.

Mr. Davenport also presented the investment report for the period ending May 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 Nordhaus seconded. The motion passed unanimously.

Mr. Davenport presented the draft budget for FYE 2024. He provided the changes to the draft budget to include the budgets for the taxes and capital projects.

President Forsyth informed the Board that two Certificate of Deposits from Prosperity was set to expire and that he received no response from Prosperity. After discussion, Director Cameron moved to authorize Director Nordhaus to wire the monies in the existing Certificate of Deposits accounts from Prosperity to the TexPool account. Director Connolly seconded, and all voted in favor of the motion.

After further discussion, Director Connolly moved to: (1) approve payment of the bills as presented and authorize the checks prepared by the bookkeeper to pay those bill; (2) approve and adopt the draft budget for FY 2024 as presented; and (3) authorize the following additional checks: (a) payroll checks for pay periods ending before the next Board meeting, and (b)

checks to pay routine bills (like utilities) coming due before the next Board meeting. Director Nordhaus seconded, and all voted in favor of the motion.

Audits, Financial Reports, Management Letters. Ms. Lorraine presented the engagement letter for performing the annual audit for the District for the fiscal year ending June 30, 2023. She noted that the cost, procedures, and audit would be performed as they were for the fiscal year ending June 30, 2022. After discussion, Director Connolly moved to approve the engagement letter as presented, seconded by Director Nordhaus, and the motion was passed.

Bills, Etc. Director Conolly moved to accept the bills as presented (and authorize the checks to be prepared to pay them). Director Nordhaus 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 May were \$2,563,779.61, leaving TY 2022 taxes receivable on May 31st, 2023, at \$88,762.40. Total reported receipts of TY 2022 taxes in May were \$14,588.60. Checks were presented in the amount of \$18,328.76. The reported percentage of collection of TY 2022 taxes was 98.3%. Ms. Loaiza said that the tax delinquency notices had been sent to all delinquent accounts. She added that after July 1st, an additional 20 percent penalty would be applied to all delinquent accounts. Director Cameron 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.

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. He presented Job Assignment No. 19-012b, which would provide continued services during the construction phase. He was asking for an increase in the amount of \$6,500.00. After discussion, Director Cameron moved to approve Job Assignment No. 19-012b. Director Connolly seconded, and the motion passed unanimously.

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. Stamper informed the Board that the bid opening for the Section 1 Sanitary Sewer Televising project had taken place on May 9th. He presented three bids to the Board. Mr. Stamper recommended that the Board (i) find and determine that Chief Solutions, Inc., was a "responsible person" and that awarding it the contract would be the most advantageous to the District; and (ii) award the contract to Chief Solutions, Inc. on its bid in the amount of \$34,768.25. After discussion, Director Cameron moved to make such findings and determination and award the contract for the Section 1 Sanitary Sewer Televising project to Chief Solutions, Inc. in the amount of \$34,768.25. The motion was seconded by Director Nordhaus, and all voted in favor of the motion.

Mr. Stamper reported that the survey and preliminary design for the Sanitary Sewer Rehabilitation for Section 6 was still underway and would be completed by the end of the month.

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 the June 13th P3 meeting reported that natural gas prices were stagnant. He stated effective in September, electric vehicle drivers will have to pay an additional \$200 annually in order to bolster the transition to renewable energy.

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 informed the Board that the remaining nine tennis court light poles had been installed and that the electrician would be back out to make any adjustments to the fixtures as needed. He added that the tennis court restrooms remodeling project was near completion and was waiting on the correct trim work for the partitions, which could take up to two weeks. Mr. Parrott stated that the roof structure over the pool patio had been completed earlier that day and clean up and touch up work would be done by Maintenance and Operations staff. He also mentioned that after speaking with the contractor, additional fees would be billed should there be unforeseen damage behind the fascia board.

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped in May was 24,482,000 gallons, and consumption was 23,004,000 gallons, leaving a water loss of 1,478,000 or 6.04%.

Mr. Parrott reported that the last remaining booster pump and electric motor at the Houghton Water Plant had been pulled and sent in for evaluation. He stated he should receive the reports back within a few weeks and that repairs would be dependent upon the nature of the repairs. He mentioned that a 12" check valve assembly was needed for the pump discharge header and presented a quote in the amount of \$4,685.85 and provided a 7-10-day lead time upon verified specifications. He also informed the Board that a technical error occurred with the chlorination system, causing the chlorine residual to be too high. He stated the plant was immediately shut down and began the dichlorination process.

Mr. Parrott also reported that sheet rock and painting repairs for the Maintenance and Operations office was scheduled for May 19th and would temporarily be located at the Community Center in the meantime. He concluded by informing the Board that he received confirmation from Ford that one of two trucks had been put into production.

Administrative Matters. Ms. Lorraine informed the Board that the current Software/Billing company was in the process of being acquired by i3 Verticals and had been working with the Districts Attorney to update the current contract. After discussion, Director Connolly moved to authorize Director Nordhaus to oversee the contract as the liaison. Director Cameron seconded, and all voted in favor of the motion.

Mr. Dougherty presented a markup of the current Rate Order. He stated that he had been working with Office Staff to tighten up the verbiage of the current rate order. He mentioned that he had been working with the Office Manager and Director Cameron regarding the City of Houston's GRP increase and proposed a 12 cent GWR increase effective at June's billing cycle. He also presented a markup of fees associated with Drought Contingency stages. After discussion, Director Cameron moved to accept the amended rate order as presented. Director Connolly seconded. The vote passed unanimously.

Next Meeting: After discussion, Director Cameron moved to approve the regular meeting for Wednesday, July ¹²~~14~~, 2023, at 6:30 PM at the District's office. Director Connolly seconded, and the vote passed unanimously.

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

REVIEWED AND APPROVED BY THE BOARD on 7/12/2023.

SIGNED: 