

# 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 **August 16, 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 Mr. Connolly, Mr. Castellano, and and Mr. Cameron were present, thus constituting a quorum (Director Nordhaus entered the meeting at 6:40 pm, and President Forsyth entered the meeting at 6:50 pm).

Also, present were James L. Dougherty, Jr., Attorney for the District; Lina Loaiza of BLICO, Inc., Jose de Leon of Venturi Engineers LLC; Greg Davis and Tommy Barrette of Chief Solutions, Inc.; Janet Orr and Greg Smith of the Brown & Brown insurance agency; and Susan Saccomen, 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. 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 regular scheduled meeting minutes for July 12, 2023, and special meeting minutes for July 31, 2023, as presented, and Director Castellano seconded. Director Connolly abstained due to his absence. The motion passed.

**Hearings, etc.,** Mr. Dougherty noted that Mr. Davis and Mr. Barrette of Chief Solutions, Inc. and Ms. Orr and Mr. Smith of Brown & Brown (Chief Solutions’ insurance carrier) were attending the meeting to discuss the insurance policy for the Section 1 Cleaning, Televising, and Inspecting project. Mr. Dougherty said they had greatly improved the insurance certificates since the prior week, and they were very close to what was specified. He added that the workers compensation section was corrected to include the officers and managers, but there were still questions regarding the pollution coverage and the “per project” versus “per location” endorsements. Ms. Orr informed the Board that the policies had been reviewed and stated that the aggregate was per location not per project. She added that policy carrier specializes in water/wastewater municipalities coverages. She added that policy carrier did not have file a “per project” form on file with the State of Texas, but they had “per location” endorsements. She stated that she had in writing, from the carrier, that the “per location” endorsement was adequate for the project’s required coverage (and actually broader). Ms. Orr said that the workers compensation coverage had been corrected. Mr. Dougherty said that the pollution coverage in the GL policy lacked the specified coverage. Ms. Orr said that she agreed that the pollution coverage in the GL policy was not what Chief Solutions, Inc. needed for the project, so she had recommended a separate pollution policy. She said a pollution policy application had been filed and was currently at the underwriters. She said they hoped to have the policy (or binder) the following day for Chief Solutions, Inc. to sign. She noted that the GL policy did cover releases from sewer lines in the event of an incident. Mr. Dougherty said that standard endorsement forms were not being used by the carrier, and asked for clarification as to whether what the carrier’s forms were substantially as specified. Ms. Orr affirmed that the carrier’s forms were substantially as required by the specifications. She added that she received confirmation in writing that all the proper endorsements had been made. Mr. Dougherty advised that the contract allowed variations from the insurance specifications for situations like those that had been presented. After discussion, Director Cameron moved to (i) authorize Mr. Dougherty to work with Director Connolly on appropriate variations, with no changes to the rest of the policy during that time, (ii) authorize Director Connolly and the engineer to approve the variations; and (iii) table the revocation of award. Director Castellano seconded, and the motion passed.

**Delinquencies, Etc.** Ms. Samantha Saccomen presented a list of eight delinquent accounts proposed for service discontinuation (for which notices, including an opportunity to be heard, had been sent). Director Connolly provided an opportunity for anyone to be heard regarding delinquencies or discontinuations. After it appeared that no one wanted to be heard, President Forsyth 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 was carried by a unanimous vote.

**Bookkeeping, Funds, Etc.** Mr. Davenport presented the bookkeeper's report including the cash disbursement report for July 14<sup>th</sup>, 2023, through August 16<sup>th</sup>, 2023.

Mr. Davenport also presented the investment report for the period ending July 31<sup>st</sup>, 2023. President Forsyth 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 Cameron seconded. The motion passed unanimously.

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

**Bills, Etc.** Director Castellano moved to accept the bills as presented (and authorize the checks to be 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 July were \$2,559,371.36, leaving TY 2022 taxes receivable on July 31, 2023, at \$70,379.97. Total reported receipts of TY 2022 taxes in July were \$6,759.32. Checks were presented in the amount of \$8,480.46. The reported percentage of collection of TY 2022 taxes was 99%. Director Cameron moved to approve the Tax Assessor Collector's report as presented (and authorize the checks presented). Director Castellano 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 the valves for the Brondesbury Lift station project were delivered to the distributor in July. He added that Walsh Construction Company had abandoned the project, and the bonding company was stepping in to complete the project. He said the District's attorney was working on a contract between the bonding company and the District. He added that a site visit with the completion contractor was scheduled for the following Friday. He added that the completion contractor was previously a sub-contractor for the project, so they were familiar with the project. Mr. Dougherty said that he was drawing up a contract between the District and the bonding company that addressed the valves, punch list and the time of completion of the contract. After discussion, Director Forsyth moved to authorize the Vice President to sign the contract between the bonding company and the District. Director Cameron seconded, and the motion was unanimously carried.

Mr. de Leon said that was nothing new regarding the Rennie Lift Station Conversion project, and the project was still scheduled to begin in January.

Mr. de Leon noted that insurance issues for the Section 1 Cleaning & Televising project had been previously addressed. He then presented Job Assignment 23-083 for \$2,500 that covered the additional engineering for hours spent in meetings and phone calls regarding the contract and insurance.

Mr. de Leon noted that the preliminary design for the Sanitary Sewer Rehabilitation Project for Section 6 was still underway. He noted that the surveyor was in the process of obtaining missing data for manholes and property lines, and updates were expected later that week.

Mr. de Leon informed the Board that the 12-month maintenance warranty (repair period) for the Dominion GST Recoating was ending, which would trigger the final inspection of the tank. He added that due to the extreme heat and current water demands, it was decided by all parties to extend the repair agreement and maintenance bond by sixty days. He said Mr. Dougherty had prepared the extension document and sent it to the engineers, who then sent it to the contractor, Nova Paintings LLC. After discussion, Director Cameron moved to authorize the vice president to sign the extension. Director Forsyth seconded, and the motion passed.

Mr. de Leon reported that he had received all the televised video of Section 3 sanitary lines from the Operator. He presented a Job Assignment 23-017A for hourly work, not to exceed \$2,500, to cover engineering costs related to the project's bid phase and construction administration. After further discussion, President Forsyth moved to authorize both job assignments as presented and to accept the engineering report. Director Nordhaus seconded, and the motion passed unanimously.

**Energy & Streetlights.** Director Cameron reported that the EIA had projected that by 2035 additional excess wind/solar generating capacity and storage would cause system energy prices to fall below the current level. This would be offset by increased generation curtailments and higher transmission costs estimated at \$2 billion. He added that natural gas in storage continued to exceed the five-year average, but due to the weakening production and rising LNG exports, a small upward price pressure was expected. He noted that both Bell County and McKinney County were planning for solar facilities.

**Regional Matters.** There was no report or action.

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

**STP's.** There was nothing to report.

**Recreational Facilities, Etc.** Mr. Parrott reported that all the exterior repairs to the MCCC facility have been completed. However, he said, more faulty electrical wiring was found, and the electrician was scheduled to be on site the following day.

Mr. Parrott reported that he had been contacted by the tennis league representatives, who requested that the court resurfacing be delayed until November because the Fall leagues were set to start up the next week. He said he contacted the contractor, and, although the contractor had a large project in November, he believed he could complete the MCCC resurfacing in November.

Director Connolly informed the Board of an email he received regarding a pool party. He said a resident was upset that the lifeguards took a mandatory break twenty minutes into the party. He asked Ms. Saccomen to follow up with the resident.

**System Operations, Rates, Etc.** Mr. Parrott reported that there was a damaged booster pump at the Houghton well site, and it had been pulled for repair quotes. He said there was also a damaged lift pump at the Rennie Lift Station. He added that the pump was taken offline, but the lift station was still fully operational. He discussed leaving the pump offline with the engineers since the lift station was scheduled to go to bypass during the conversion project in January. After discussion, Director Cameron authorized Mr. Parrott to have the lift pump repaired at a cost not to exceed \$15,000. Director Castellano seconded, and the motion was unanimously carried.

Mr. Parrott mentioned that one of the trucks had been delivered and received by the District, and the District should be taking possession of the second truck by the end of the following week. He added that delivery of the two truck beds that were previously expected within two weeks had been delayed to fourteen weeks.

Mr. Parrott reported that the total water pumped in July was 39,625,000 gallons, and consumption was 39,522,000 gallons. He noted that the consumption figure appeared to be incorrect. He said he believed it was caused by a faulty meter resolution on one of the large meters, and one of the meters at the Houghton site did not register reads for about three days.

Mr. Parrott presented the static, capacity, and pumping water levels for all well sites. He added that the water table had dropped considerably at all wells. He also said that pumpage for all three well sites peaked at over two million gallons on August 14<sup>th</sup>, and he wanted to discuss possibly moving to Stage II of the Drought Contingency Plan. After discussion, the Board decided to hold a special meeting regarding moving to Stage II of the drought contingency plan if three of the seven drought contingency triggers (supply conditions) were met.

Mr. Parrott also informed the Board that he had contacted Miner Ltd., dba Overhead Door to repair the roller track on the large bay door. He explained that, within three weeks, the door broke down again. He said a gentleman came out again, Mr. Parrott noted that safety protocols were not followed, and only one person came to complete a repair that required three. He added that, when the man tried to fix the door, the door jumped the track and collapsed on itself. He noted that no one was injured and was all on CCTV. Mr. Parrott said that Miner Ltd., dba Overhead Door sent an invoice for over \$18,000 for the repair. He said he had contacted the contractor to dispute the charges since the District was not at fault. He said the operations manager from Miner Ltd., dba Overhead Door had come out, observed the video recording, and said he would make things right. Mr. Parrott stated that the company's estimate for repair was not correct, and he was disputing it. He informed the Board that he would request the entire door be replaced and hung, but that the District would be responsible for painting the door. Mr. Parrott said he would keep the Board updated.

**Administrative Matters.** Ms. Saccomen presented an interlocal agreement with Harris-Galveston Subsidence District for water conservation kits that would be distributed at Nottingham Elementary School. She stated that the District had entered into this agreement for many years. After discussion, Director Cameron moved to authorize the interlocal agreement as presented. Director Castellano seconded, and all voted in favor of the motion.

**Next Meeting:** After discussion, Director Castellano moved to approve the regular meeting for Wednesday, September 13, 2023, at 6:30 PM at the District's office. Director Nordhaus seconded, and the vote passed unanimously.

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

REVIEWED AND APPROVED BY THE BOARD on September 13, 2023.

SIGNED: 