

MASON CREEK UTILITY DISTRICT

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J.H. Cameron
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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 Office, 847 Dominion Dr., Katy, Texas 77450, on **September 13, 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; Bill Blich of Blich Associates, Inc., the District’s financial advisor; Kim Courte of Arthur J. Gallagher and Co.; Derek Davenport of McClennan and Associates; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; 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 notice of the meeting had been posted as required by the Texas Open Meetings Act. Director Connolly moved to approve the regular scheduled meeting minutes for August 16, 2023, and special meeting minutes for August 11, 2023, as presented, and Director Cameron seconded. The motion passed.

Hearings, etc. There was no report or action.

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). 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 was carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for August 17th, 2023, through September 13th, 2023.

Mr. Davenport also presented the investment report for the period ending August 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.

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 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 August were \$2,492,553.85, leaving TY 2022 taxes receivable on August 31, 2023, at \$67,247.98. Total reported receipts of TY 2022 taxes in August were \$4,828.71. Checks were presented in the amount of \$13,976.51. The reported percentage of collection of TY 2022 taxes was 99%. Director Connolly 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.

Mr. Bill Blich presented proposed 2023 tax rate options, including both Debt Service and M&O tax rates. After discussion by the Board, Director Cameron moved to adopt the following measure: “ORDER AND RESOLUTION MAKING FINDINGS AND DETERMINATIONS REGARDING DISTRICT STATUS; DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX

RATES AND TAKE OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX; PROPOSING A TAX RATE; CALLING A PUBLIC HEARING; ETC.” which included a determination of the District’s development status and a proposed tax rate of \$0.3053 per \$100, of which \$0.0293 would be for debt service and \$0.276 would be for maintenance and operations. The order also called a public hearing on the proposed tax rate for October 11, 2023. Director Connolly seconded the motion, and it passed and carried by the following vote:

FOR: Directors Forsyth, Connolly, Nordhaus, Castellano, Cameron

AGAINST: (none)

ABSENT/NOT VOTING: (none)

A true copy of the measure, as adopted, was filed with records of the meeting. Ms. Loaiza indicated the notice of the public hearing was to be published in the *Katy Times* on Thursday, September 28, 2023.

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

Water Supply & Regulations and Agreements. The Board discussed the possibility of moving to Stage II under the Drought Contingency Plan. Mr. Parrott noted that there were no new triggers (supply conditions), but the Board could decide to initiate Stage II. Mr. Parrott added that The District was supplying Green Trails MUD through the pressure-sustaining valve, and the District was pumping more water than at the same time in 2022. After discussion, the Board asked Mr. Parrott to have the static water levels checked, and moving forward, to have the well’s static levels checked every June, July, and August. The Board also decided to table the decision to initiate Stage II until the October 11th meeting.

Engineering, Projects, Etc. Mr. Stamper informed the Board that the proposed completion contractor for the Brondesbury Lift Station Project was working on an updated bid for the remainder of the work for the project. Mr. Stamper added that the contractor had been given the final punch list, and Mr. Dougherty was working through the contract documents with the bonding company’s attorney. Mr. Dougherty said that he had a conversation with the insurance company’s attorney, and the attorney said he was in the process of looking over the documents. Mr. Dougherty added that he was going to send the company a draft assignment and assumption agreement for its approval and signature.

Mr. Stamper said there was nothing new regarding the Rennie Lift Station Conversion project, and he was waiting for the contractor to receive construction materials. Mr. Stamper added that the contractor, Pioneer Construction, had presented Pay Application One for \$301,000.00 (less the ten percent retainer) which included the distributor’s invoice for the pumps and miscellaneous items. Mr. Stamper recommended the pay request contingent upon the amending of the contract, and signed affidavits that show the contractor paid the distributor for the invoiced items. After discussion, Director Connolly moved to authorize the vice president to work with the attorney and engineers on the amendment and to execute it, but no payment would be made until the contract was amended, the goods were delivered, and there was proof that title had passed to the District. Director Cameron seconded, and the motion was unanimously passed. Ms. Courte reported that the District had blanket coverage, so no additional insurance was required to cover the stored pumps and items. Mr. Stamper added that the shipping dates for the project’s equipment were: November 24, 2023 (check valves), December 10, 2023 (electrical items), and February 24, 2024 (generator).

Mr. Stamper noted that the updated insurance document for the Section 1 cleaning and televising project had been that day, and that he would schedule a meeting with the contractor to get the project started.

Mr. Stamper noted that the preliminary design for the sanitary sewer rehabilitation project for Section 6 was still underway. He noted that the plans were slated to be sent to the City of Houston by the end of October.

Mr. Stamper informed the Board that the extension of the 12-month maintenance warranty (repair period) for the Dominion GST Recoating was approved and signed with the inspection scheduled for October 19th.

Mr. Stamper presented the City of Houston’s annual ground water permit projection for 2024, which proposed to decrease the amount the District would pump in 2024 to 396,078,900 gallons (down from 400,000,000 in 2023). He recommended that the District respond to the letter stating that the District was not accepting the decrease. . President Forsyth asked Mr. Stamper to send the response letter for the District.

Director Cameron moved to accept the engineering report. Director Nordhaus seconded, and the motion passed unanimously.

Energy & Streetlights. Director Cameron reported that ERCOT might initiate rolling blackouts, but that was still undecided.

Regional Matters. There was no report or action.

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

STP’s. President Forsyth reported that all STPs were working appropriately.

Recreational Facilities, Etc. There was no report or action.

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped in August was 50,016,000 gallons, and consumption was 49,156,000 gallons, leaving a water loss of 860,000 or 1.72%.

Administrative Matters. Ms. Courte presented the annual District insurance and cyber security policy renewal proposal from AJ Gallagher. She noted that there was an increase in the premium cost of \$105,957.00. She mentioned that the insurance business was in distress nationwide, and this was causing a shift in pricing and terms and conditions. After discussion, Director Cameron moved to approve the annual district insurance policy renewal as presented. Director Connolly seconded, and the motion was unanimously carried.

Ms. Saccomen presented an updated work order from MVITWORKS LLC to perform regular maintenance on the hardware for the District Office. She noted that it was a slight increase in cost, going from \$599 to \$667.50. After discussion, Director Cameron moved to approve a work order. Director Connolly seconded, and all voted in favor of the motion.

Ms. Saccomen presented a request from Taylor High School asking for authorization to place signs on the decorative streetlights along Kingsland Blvd from Rennie Rd. west to Westgreen Blvd. After discussion, The Board decided that the signs would not be allowed and asked Ms. Saccomen to notify Taylor High School of their decision.

Next Meeting: After discussion, Director Castellano moved to approve the regular meeting for Wednesday, October 11, 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 Connolly moved to adjourn. Director Castellano seconded, and all voted in favor, thus passing the motion.

REVIEWED AND APPROVED BY THE BOARD on October 11, 2023.

SIGNED: 