

MASON CREEK UTILITY DISTRICT

L.R. Forsyth
J.H. Cameron
B.C. Connolly
J.K. Nordhaus
F.J. Castellano

Katy, Texas 77450
Phone 281-578-7272
Fax 281-578-1419

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 847 Dominion Dr., Katy, Texas 77450, on **October 11, 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 J. 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; Derek Davenport of McClennan and Associates; Jose de Leon and Brenton Stamper of Venturi Engineers LLC; and Kasey Lorraine, Samantha Saccomen and Jamie Parrott of the District's 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 notice of the meeting had been posted as required by the Texas Open Meetings Act. Director Connolly moved to approve the regular meeting minutes for August 16, 2023, and special meeting minutes for October 11, 2023, as presented, and Director Cameron seconded. The motion 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 Nordhaus and was carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper's report including the cash disbursement report for September 13th, 2023, through October 11th, 2023. Mr. Davenport also presented the investment report for the period ending September 30th, 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. Director Nordhaus mentioned options for different certificates of deposit that were up for renewal due to their maturity. 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 Cameron moved to accept the bills as presented (and authorize the checks to be prepared to pay them). Director Connolly seconded. The motion was carried by a unanimous vote.

Taxes. Ms. Loaiza gave the Tax Assessor Collector report indicating total TY 2022 taxes collected during September were \$1,504.66, leaving TY 2022 taxes receivable on September 30, 2023 at \$65,743.32. Total reported receipts of TY 2022 taxes in September were \$1,882.72. Checks were presented in the amount of \$13,976.51. The reported percentage of collection of TY 2022 taxes was 99.1%. 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.

President Forsyth formally opened a public hearing on the proposed tax rate. It was explained that the proposed tax rate was \$0.305 per \$100 of taxable value, composed of \$0.276 for maintenance and operation and \$0.029 for debt service. Also presented was a publisher's affidavit showing that the notice of the public hearing and proposed tax rate was published on September 28, 2023, in *The Katy Times*. President Forsyth asked for public presentations or comments, but there was none offered. President Forsyth then closed the public hearing. At that point, the following measure was introduced for consideration of the Board: ORDER LEVYING TAXES. Director Cameron moved that the measure be approved and adopted in substantially the form as presented to the Board, and that the officers of the District be authorized to sign, attest, and certify the measure. The motion was seconded by Director Connolly.

After due discussion, the question was called, and the motion, carrying with it the adoption of the measure, was adopted and carried by the following vote:

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

Nays: None

A copy of said measure, as adopted, was filed with the records of the meeting. Mr. Dougherty presented an amended District Information Form for Director's signatures, as approved by the ORDER LEVYING TAXES. He noted that the District Information Form will be recorded in the Harris County Real Property Records to give formal notice of the District's tax rate, and it included a "notice to purchasers" in the form required by a new state law.

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. Stamper informed the Board that the valves for the Brondesbury Lift Station had been delivered and were in the District's possession. He stated that he was waiting for the punch list items and check valves to be addressed. He was unsure of the timeline as the bonding company was working underway with reaching completion of the contract documents.

Mr. Stamper said that he was still waiting for the contractor to receive the construction materials for the Rennie Lift Station Conversion Project. He added that construction was set to begin in November 2023. He mentioned that he was still working with the attorney, contractor, subcontractor, supplier, and employees of the District to on an amendment to provide for advance delivery of pump equipment and payment for them. After discussion, Director Forsyth moved to authorize Director Castellano to: (i) work with the attorney and engineer on the necessary documents, (ii) execute them, and (iii) initiate a wire transfer for the payment. Director Connolly seconded, and all voted in favor of the motion.

Mr. Stamper noted that the Section 1 cleaning and televising project was to begin the following week and stated that it would take roughly three weeks, depending on the weather. He mentioned that it would take additional time to compose a video file to create the report. Mr. Stamper noted that the design for the sanitary sewer rehabilitation project for Section 6 was still underway. He noted that the plans were expected to be sent to the City of Houston, Harris County and Harris County Flood Control by the end of October.

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

Energy & Streetlights. Director Cameron reported that ERCOT had paid owners of power plants to stay offline until an emergency back up was required. He stated that the cost would then be broken down and charged to the ratepayers. He also informed the Board that grid energy storage had increased and was expected to increase availability by the end of 2024. Director Connolly moved to approve the report as presented. Director Cameron seconded, and all voted in favor of the motion.

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. He informed the Board that the wastewater treated by WMMUD was reported to include non-flushable items. He stated that WMMUD had asked the participating districts to dispose of those items appropriately.

Recreational Facilities, Etc. Mr. Parrott informed the Board the tennis courts were scheduled to be recoated on November 13th. He stated that he had coordinated with the Tennis Committee but would also place signs at the tennis courts for other members. Director Nordhaus stated that he received quotes from different vendors for the purchase of swimming pool lane lines. He presented a quote from Keifer Aquatics in the amount of \$3,000. After discussion, Director Connolly moved to approve the purchase of the swimming pool lane line from Keifer Aquatics, Director Cameron seconded, and the motion passed unanimously.

Ms. Lorraine informed the Board of damage to a mushroom dome (at the kiddie pool) by renters of the facility. Mr. Parrott stated he received a quote for a repair from Sweetwater Pools but was looking into alternatives. After discussion it was decided not to charge the renters due to the age and quality of the dome. After further discussion, Director Nordhaus mentioned obtaining additional quotes.

Ms. Lorraine informed the Board that the current rate order did not allow use of the MCCC free of charge and stated that the homeowners association had been using the facility for monthly Board meetings. She stated there were requests for additional use. After discussion, Director Connolly moved to amend the rate order to allow non-profit organizations, whose memberships were virtually the same as the owners of single-family property within the District, to reserve and use the MCCC without charge: (i) once a year for events (for residents of the District only) plus once a month for meetings, (ii) subject to availability, and (iii) on condition that the organization pay for cleaning, damages, lifeguards, etc. The motion was seconded and passed unanimously.

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped in September was 51,346,000 gallons, and consumption was 50,387,000 gallons, leaving a water loss of 977,000 or 1.9%. He mentioned that water was provided to Green Trails MUD during that period. Mr. Parrott informed the Board that the wells had been tested and stated that he was concerned about the low static levels, pumping levels, and pump submergence. He recommended a secondary test the following month to determine if any further action was required. He stated that another testing was scheduled for late December or early January.

Mr. Parrott also informed the Board about an email he received regarding a class action lawsuit. Mr. Dougherty gave a short briefing. He said the litigation was about PFASs (so-called “forever chemicals”) that were showing up in water supplies nationwide. He said a letter from TCEQ was offering some limited assistance. After discussion, Director Cameron moved to authorize the attorney and the engineer to further investigate the lawsuits. Director Connolly seconded, and the motion was passed unanimously.

Administrative Matters. There was no report or action.

Next Meeting: Ms. Lorraine informed the Board that a special meeting would need to be set for the annual financial report (audit). After discussion, the Board agreed to meet with the auditor on Monday, November 6, 2023 at 12 PM. After further discussion, Director Castellano moved to approve the regular meeting set for Wednesday, November 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 November 15, 2023
SIGNED: 