

# MASON CREEK UTILITY DISTRICT

847 Dominion Dr., Katy, Texas 77450

## 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 **March 13, 2024**, 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., Hal Gordon, delinquent tax attorney for the District; the District’s tax assessor-collector; Derek Davenport of McClennan and Associates; Benton Stamper of Venturi Engineers LLC; and Susan Saccomen, Kasey Lorraine, Samantha Saccomen, and Jamie Parrott of the District’s staff. Also present was Mike Oh of KOA Group Inc. The meeting was called to order, and, in accordance with notice posted pursuant to law, the following business was transacted:

**Notices & Minutes.** Ms. Susan 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 meeting minutes for February 14, 2024, Director Castellano seconded. The motion passed.

**Delinquencies, Etc.** Ms. Susan 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 Connolly 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 February 15<sup>th</sup>, 2024, through March 13<sup>th</sup>, 2024. Mr. Davenport also presented the investment report for the period ending February 29<sup>th</sup>, 2024. 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. 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 that had been 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 2023 taxes collected through February were \$2,617,118.47 leaving TY 2023 taxes receivable on February 29, 2024 at \$140,300.57. Total reported receipts of TY 2023 taxes in February were \$2,646,966.78. Checks were presented in the amount of \$134,973.80. The reported percentage of collection of TY 2023 taxes was 96.8%. 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. Hal Gordon reported that there were a few delinquent tax accounts that were candidates for water/sewer service termination. He formally requested Board approval to begin the termination process. After discussion, Director Cameron moved to authorize Mr. Gordon to begin the termination process, seconded by Director Nordhaus and all voted in favor of the motion. Mr. Gordon added that there would be a hearing for the delinquent accounts either in April or May.

Mr. Dougherty presented a “RESOLUTION GRANTING AND CONFIRMING EXEMPTIONS FROM AD VALOREM TAXATION.” The measure included a \$50,000 exemption of the appraised value of the residence homestead of each individual who is 65 or older and other exemptions. A motion was made and seconded to adopt the measure. 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, Castellano, Nordhaus, and Cameron  
Nays: None

Absent: None

Mr. Dougherty also presented a “RESOLUTION EXTENDING CONTRACT FOR TAX ASSESSOR/COLLECTOR.” A motion was made and seconded to adopt the measure. 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, Castellano, Nordhaus, and Cameron

Nays: None

Absent: None

Mr. Dougherty also presented a “RESOLUTION EXTENDING CONTRACT FOR COLLECTION OF DELINQUENT TAXES.” A motion was made and seconded to adopt the measure. 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, Castellano, Nordhaus, and Cameron

Nays: None

Absent: None

Mr. Dougherty also presented a “RESOLUTION ADOPTING ADDITIONAL PENALTY FOR TAX COLLECTION COSTS.” A motion was made and seconded to adopt the measure. 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, Castellano, Nordhaus, and Cameron

Nays: None

Absent: None

**Water Supply, Etc.,** There was no report or action.

**Engineering, Projects, Etc.** Mr. Stamper informed the Board that a representative from the manufacturer of the smart valves came out and inspected the valve to determine the best course of action to resolve the problems with the valves. He determined that the issues were related to the quality control at the manufacturer level. He added that the valves were repaired enough to be operational as a regular check valve, and that the representative would come back out once the electrical work was connected. The representative would also come out for the final start up. Mr. Stamper noted that the lift station is operational, but he was waiting for the punch list items and check valves to be addressed for the Brondesbury Lift Station Conversion Project. He mentioned that the issues with the check valve electrical panel were still being worked out, and the fix would likely have additional costs. After discussion, the Board asked Mr. Stamper to reach out to the surety company and request a 7-year manufacturer’s warranty as compensation for providing faulty valves provided the extended contract date has expired. Mr. Stamper said that he sent the updated electrical drawings to the contractor and the surety bond company late last week, he is waiting for their response, He restated that there would be an additional cost of between \$10,000 and \$15,000 to implement the control panels with the new configuration. Mr. Dougherty recommended the title for the temporary valves be included in the negotiations to ensure the District owns them free and clear.

Mr. Stamper presented Job Assignment 19-012c in the amount of \$6,500 for additional engineering services related to the construction portion of the Brondesbury Lift Station project. Director Connolly moved to authorize Job Assignment 19-012c as presented. Director Cameron seconded, and the motion was unanimously passed.

Mr. Stamper presented and recommended for payment Pay Application #2 from Pioneer Construction in the amount of \$299,677.50 related to the demo portion of the project. Director Connolly moved to authorize Pay Application #2 as presented. Director Castellano seconded, and the motion was unanimously passed.

Mr. Stamper reported that he was working with the attorney to work out details on the Section 6 Sanitary Rehabilitation Project contract documents.

Mr. Stamper informed the Board that he was working on the Galleon Oaks Water Plant Improvements Project contract documents with the attorney.

Mr. Stamper reported that he was coordinating with the Harris County MUD346 engineer on the upcoming Shillington Sidewalk Project. Mr. Stamper presented Job Assignment 24-017 in the amount of \$57,500 for engineering work related to all phases of the project. Director Cameron moved to authorize Job Assignment 24-017 as presented. Director Connolly seconded, and the motion was unanimously carried.

Mr. Stamper informed the Board that he had sent utility letter to the KOA Group, Inc. regarding the project on Shillington sometimes referred to as “Mason Gardens.” He added that if the KOA group agrees to the stipulations in the letter, Venturi Engineers would design the water and sewer plans for the development.

Mr. Mike Oh addressed the Board regarding the Mason Gardens project. Mr. Oh stated his father had received the letter. Mr. Dougherty noted that the letter was approved at the February meeting and provided information for the development on Shillington Dr. He added that the letter approved capacity for up to 17 single connections. He noted that the designated points of connection were subject to approval by the District’s engineer. He also said that the land plan had not been accepted or approved by the District. He recommended the owner focus on getting the land plan up to specifications. Mr. Dougherty noted that there was a 30-day expiration on the letter the District sent. After discussion, Director Connolly moved to authorize a revision of the original utility letter sent February 14<sup>th</sup> extending the expiration date from 30 days to 60 days. Director Cameron seconded, and all voted in favor of the motion.

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

**Energy & Streetlights.** There was no report or action.

**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 Cinco MUD has started construction for the new water purification plant that would produce reused water from distribution in Cinco Ranch and surrounding areas.

**Recreational Facilities, Etc.** Mr. Parrott presented an invoice for the removal and replacement of the insulation in the community center's attic. He noted that the total cost was \$13,593.60, but it would be broken into two equal payments, with the first covering removal and cleanup. He added that the electrician would come in after the cleanup and repair any electrical issues. Mr. Parrott also recommended that a structural engineer be brought out to investigate the building while the attic was cleared out. He estimated that the cost for the structural engineer would be approximately \$6,000.

Director Nordhaus added that he had asked Mr. Parrott to bring quotes for an adjustable shade for the wade pool area. Mr. Parrott also provided a quote of approximately \$1,700 for a replacement piece to the wade pool's water feature. After discussion, Director Cameron moved to authorize \$2,500 for replacement parts and installation of the wade pool's water feature. Director Connolly seconded, and all voted in favor of the motion.

Ms. Susan Saccomen reported that Sweetwater Pools Inc. contract was up for renewal, and the insurance policy was due to expire April 30, 2024. Mr. Dougherty added that the insurance renewal was being worked out.

Mr. Dougherty recommended the Board approve the swim team practice and meet permits. He noted that the swim team's insurance policy was also being finalized. After discussion, Director Cameron moved to authorize Mr. Dougherty to review and finalize the permits and Director Nordhaus, pool liaison, to sign both swim team permits. Director Castellano seconded, and the motion was unanimously carried. Ms. Saccomen reported that a meeting would be scheduled between the tennis league representatives, pickleball representatives, the District's tennis court liaison, Director Nordhaus, and the District office and operations staff. Director Nordhaus said he would update the Board at the next meeting. After discussion, Mr. Dougherty presented an updated appendix H of the rate order, which added rules to cover pickleball. The Board was expected to review the updates and discuss at the April meeting.

**Election Matters.** Mr. Dougherty reported that the Board secretary had certified the election as unopposed, therefore the election must be cancelled. Mr. Dougherty presented the Order of Cancellation, which formally cancelled the election, and declared Director's Cameron, Castellano, and Connolly duly elected. After discussion, Director Cameron moved to adopt the Order of Cancellation as presented. Director Nordhaus seconded, and the motion was passed unanimously.

**System Operations, Rates, Etc.** Mr. Parrott reported that the total water pumped February 1<sup>st</sup> through February 29<sup>th</sup> was 19,281,000 gallons, and consumption was 17,723,000 gallons, leaving a water loss of 1,558,000 or 8%. He noted that the excess water loss was due to the draining and refilling of the water tanks after their inspections.

Mr. Parrott reported that the 2013 Toyota Tacoma was sold for \$12,000 and the 2010 Ford F350 sold for \$17,500.

Mr. Parrott also reported that the City of Bellville was interested in purchasing the generator from Rennie Lift Station. He added that he was asking \$10,000 for the generator.

Mr. Parrott reported that the District was scheduled for a TCEQ inspection on March 19<sup>th</sup>. He was coordinating with the engineers on the required documents.

Mr. Parrott asked the Board to consider extending use of the District property for contractors to stage their equipment during ongoing projects. After discussion, the Board decided not to extend the courtesy, and he would soon have additional miscellaneous items installed on the vehicles. He added that there was some interest in buying the District's used vehicles, and he would need authorization to sell them. Director Connolly moved to authorize the sale of the District's used vehicles. Director Cameron seconded, and all voted in favor of the motion.

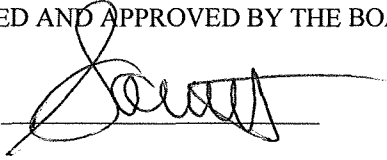
**Executive session.** While the Board was in open session, President Forsyth announced that "the Board of Directors of Mason Creek Utility District was starting a closed or executive session on March 13, 2024 at 8:46 PM under Section 551.074 of the Texas government Code," and "the subject matter (agenda) of this deliberation is as follows: To deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of public employees." The Board then conducted a closed or executive session. A short time later, the Board returned to open session, and the President made the following announcement: "The Board of Directors has completed its closed or executive session on March 13, 2024, at 8:56 o'clock PM". Director Cameron moved to approve a four percent salary increase, and all other District employees a three percent salary increase effective immediately. Director Castellano seconded, and the motion was unanimously carried.

**Next Meeting:** Director Connolly moved to approve the regular meeting set for Wednesday, April 17, 2024, at 6:30 PM at the District's office. Director Castellano seconded, and the vote passed unanimously.

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

REVIEWED AND APPROVED BY THE BOARD on April 17, 2024.

SIGNED: \_\_\_\_\_

A handwritten signature in black ink, appearing to be "Cameron", written over a horizontal line.