

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 **June 12, 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., the District’s tax assessor-collector; Derek Davenport of McClennan and Associates; Jose de Leon and Benton Stamper of Venturi Engineers LLC; and Susan Saccomen, 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. Susan Saccomen reported that the notice of the meeting had been posted as required by the Texas Open Meetings Act. Director Cameron moved to approve the regular meeting minutes for May 15th, 2024, and Director Connolly 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 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 Castellano and was carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for May 15th, 2024, through June 12th, 2024. Mr. Davenport also presented the investment report for the period ending May 31st, 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 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.

Audits, Financial Reports, Management Letters. Mr. Dougherty presented the engagement letter for performing the annual audit for the District for the fiscal year ending June 30, 2024. He noted that the new fee estimate appeared to be larger than the fee estimate for the prior audit, but the auditor had indicated that actual fees billed for the prior audit were higher than the new fee estimate. He said he had requested changes in the wording of the engagement letter to make it more consistent with the representation letter the Board approved for the prior audit, and the auditor had accepted the changes. After discussion, Director Connolly moved to approve the engagement letter with the requested changes in wording. The motion was seconded by Director Cameron, and the motion was passed.

Bills, Etc. Director Cameron moved to accept the bills as presented (and authorize the checks that had been 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 2023 taxes collected through May were \$2,661,068.97 leaving TY 2023 taxes receivable on May 31st, 2024 at \$88,130.34. Total reported receipts of TY 2023 taxes in May were \$18,328.34. Checks were presented in the total amount of \$22,492.31. The reported percentage of collection of TY 2023 taxes was reported at 98.6%. 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.

Water Supply, Etc., There was no report or action taken. Ms. Susan Saccomen informed the Board that the City of Houston presented a rate increase of \$0.07 per thousand gallons. After discussion, no action was taken.

Engineering, Projects, Etc. Mr. Stamper informed the Board he was still waiting for punch list items to be addressed and the agreement to be finalized for the Brondesbury Lift Station Project. He explained that with the assistance of the attorney and Director Connolly, they were successful in obtaining a quote for a seven-year extended warranty on the “smart valves” from the manufacturer, but there was an added cost of about \$6,000. Mr. Parrott added that a 72-hour test would be run to ensure the valves are in working

condition. After discussion, Director Cameron moved to authorize the Vice President to include the seven-year warranty in the contract amendment with the bonding company (which was previously authorized), with a provision for the District to pay the added cost for the seven-year warranty. Director Castellano seconded, and the motion passed unanimously.

Mr. Stamper reported that the Rennie Road Lift Station Conversion project was moving forward quickly. He said the generator had been delivered. He added that the CenterPoint power pole project was still a few weeks from beginning. He presented and recommended Pay Application #5 from Pioneer Construction Services LLC in the amount of \$215,550. (\$239,500.00 less the 10% retainage), contingent upon the receipt of the required "bills paid" affidavits. Mr. Stamper also presented Change Order No. 1, which he recommended due to the issues with CenterPoint. After discussion, Director Connolly moved to authorize Pay Application #5 and Change Order No. 1 as recommended. Director Nordhaus seconded. The motion was carried by a unanimous vote. Mr. Stamper informed the Board that additional Change Orders would follow.

Mr. Stamper reported that the Section 6 Sanitary Sewer Rehabilitation project had been awarded, and he was waiting for contracts to be executed.

Mr. Stamper reported that the Galleon Oaks Water Plant Improvements 2024 project had gone out for bid, and he would present a recommendation for an award at the next meeting, following discussion with the Operator.

Mr. de Leon informed the Board that the Green Trails MUD's engineer had approached him regarding the apartment complex on Houghton Road. Apparently, Green Trails MUD had requested to have an emergency interconnect to supply the apartments in the event of an emergency, to be installed at the expense of Green Trails MUD.

Mr. de Leon also informed the Board that the engineer for Harris County MUD No. 345 had approached him regarding an added emergency interconnect. He stated that MUD No. 345 could possibly abandon an existing interconnect with a district located north of I-10 because that district was converting to chloramines for disinfection. He stated it was not a formal request but could become formal in the future. After discussion, Director Connolly moved to authorize the engineer, attorney and operator to investigate further and write up an agreement for both Green Trails MUD and Harris County MUD No. 345 and present them for authorization at a future date. Director Cameron seconded, and all voted in favor of the motion.

Mr. de Leon stated that the KOA Group, Inc had not addressed any comments, and he had informed the developer that they would have to sign the utility letter in order to move ahead. Mr. de Leon reported that Kingsland Baptist Church was proposing a building expansion over an existing easement, and he would bring further information to the following meeting. Director Connolly moved to accept the engineering report. Director Castellano seconded, and the motion passed unanimously.

Energy & Streetlights. Director Cameron informed the Board that an electricity budget report would be available in the coming months. Ms. Susan Saccomen presented a letter from the Harris-Galveston Subsidence District requesting sponsorship for their water conservation program. She informed the Board that the sponsorship was a part of an interlocal agreement and had been done every year. After discussion, Director Connolly moved to approve the sponsorship as presented. Director Cameron seconded, and the motion passed unanimously.

STP's. President Forsyth informed the Board that both the Cinco Regional STP and West Memorial MUD STP were operating appropriately.

Recreational Facilities, Etc. Mr. Parrott reported that two of the cameras at the tennis courts were no longer working. He said the conduit would require replacement. He proposed adding cameras. After discussion, Director Connolly moved to approve the upgrades as presented. Director Cameron seconded, and all voted in favor of the motion.

Ms. Lorraine proposed rental discounts of up to 50% for first responders, military and veterans. She also proposed increasing the fee for a tennis key card to \$35. She informed the Board that the fee had been \$25 for more than 20 years.

Ms. Lorraine stated that the Board had previously authorized Taylor High School seniors to hold a fundraiser event at the pickleball courts in October. She stated that the person in charge had requested approval to hold the event without requiring attendees to have key cards.

Ms. Lorraine also proposed that the next open house event be scheduled for the first Saturday in May as opposed to Sunday. After discussion, Director Connolly moved to approve and authorize the changes in the two events and to request that a rate order amendment be prepared and brought back to the Board for the rate changes. Director Cameron seconded, and the motion passed unanimously.

Ms. Lorraine also informed the Board that the president of the homeowner's association was still requesting to use the main ball room at the MCCC instead of the smaller rooms. Ms. Saccomen advised that the association previously used the Houghton Room but moved to the West Room during the COVID-19 pandemic. Ms. Lorraine added that the association then moved to the main ballroom amid increased attendance, but there had been a decrease in attendance for several months. After discussion, the Board asked Ms. Saccomen and the attorney to draft a letter informing the association that the availability of the meeting rooms would be subject to availability---with paying users getting first priority--- and that the association would be assigned an appropriate room each time. The Board asked that the letter be brought back before the Board for approval.

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped from April 16th through May 15th was 25,590,000 gallons, and consumption was 24,464,000 gallons, indicating a possible loss of 1,126,000 gallons, or 4.40%.

He reported that the TCEQ had performed an inspection of all District property. He added that there were four minor violations which he had immediately been addressed. He said he had sent a formal reply saying all items had been addressed.

Mr. Parrott informed the Board that the parts for the transfer switch at the Houghton Plant had been received, and he was looking to install them the following week. He mentioned that the Houghton generator burned over 900 gallons of diesel within a 4-day span. He requested authority to upgrade the existing 1,000-gallon storage capacity to 3,000 gallons, and he said he would bring pricing at a later date.

Mr. Parrott reported that the 2019 Ford Ranger would be ready the following week, and the 2023 Ford F350 would then go in for repairs.

Mr. Parrott informed the Board that he would be doing hydrant flushing systemwide later in the month and would work with office staff to inform residents.

Administrative Matters. Ms. Susan Saccomen informed the Board that she was working with the group on the human resources handbook and would bring it to the Board the following month

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

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

REVIEWED AND APPROVED BY THE BOARD on 7-25-24.

SIGNED: 