

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 **September 11, 2024**, at **6:30 P.M.** The duly elected members of the Board of Directors were:

Brian C. Connolly	President
James K. Nordhaus	Secretary/Treasurer
Fredrick J. Castellano	Assistant Treasurer
John H. Cameron	Director
Len Forsyth	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.; Derek Davenport of McClennan and Associates; Jose de Leon and Benton Stamper of Venturi Engineers LLC; Michael DuBos and Joe Adams residents of the district; and Susan Saccomen, 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 August 14th, 2024, and 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 Connolly 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 Forsyth and was carried by a unanimous vote.

Bookkeeping, Funds, Etc. Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for August 15th, 2024, through September 11th, 2024. Mr. Davenport also presented the investment report for the period ending August 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 Forsyth seconded. The motion passed unanimously. After discussion, Director Forsyth moved to accept the bookkeeper’s report as presented. Director Cameron seconded, and all voted in favor of the motion.

Bills, Etc. Director Castellano 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 August were \$2,661,957.04, leaving TY 2023 taxes receivable on August 31, 2024, at \$73,850.38. Total reported receipts of TY 2023 taxes in August were \$2,903.85. Checks were presented in the total amount of \$13,101.76. The reported percentage of collection of TY 2023 taxes was 99.12%. Director Cameron moved to approve the Tax Assessor Collector’s report as presented (and authorize the checks presented). Director Nordhaus seconded, and all voted in favor of the motion. Mr. Bill Blich presented tax data and 2024 tax rate options, including both Debt Service and M&O tax rates. Mr. de Leon presented a signed document showing the District’s development status. After discussion by the Board, Director Forsyth 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 \$0.30137 per \$100, of which \$0.02780 would be for debt service and

\$0.27357 would be for maintenance and operations. The order also called a public hearing on the proposed tax rate for October 16, 2024. Director Cameron seconded the motion, and it passed and carried by the following vote:

FOR: Len Forsyth, Brian Connolly, James K. Nordhaus, Frederick Castellano, John H. 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 26th, 2024.

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

Engineering, Projects, Etc. Mr. Stamper informed the Board that the DeZURIK firm had sent a technician to the Brondesbury Lift Station earlier in the week to determine the cause of the electrical component malfunction. Mr. Stamper also informed the Board that the technician had fixed the issue, and all three smart check valves at Brondesbury Lift Station were operating as intended since early that morning. He reported that small coating touch ups would need to be done to various components. Mr. Parrott reported that the valves were sensitive to power fluctuations. The engineers and District Operator said they would continue to speak with the electrical engineer as well as monitor the electrical components regrading additional pieces to maintain power supply and avoid power fluctuations.

Mr. Dougherty reported that there were updates to the proposed amendment to the contract with Insurors Indemnity Company (as successor to Walsh Construction Co., Inc.), including changes to the DeZURIK warranties and the bill of sale for the temporary valves. After discussion, Director Forsyth moved to approve the changes to the amendment, including changes to the bill of sale and separating the two-year warranty and the longer extension of the warranty (to 2031) for the valves., Director Cameron seconded, and all voted in favor of the motion.

Mr. Stamper recommended the Board move forward and authorize a payment for Change Orders 5 & 6 in the amount of \$19,436.98 and a payment in the amount of \$50,173.50 (part of the retainage) upon satisfaction of the conditions specified in the amendment. After discussion, Director Cameron moved to approve the motion to authorize payments for Change Orders 5 & 6 as well as payment of a part of the retainage upon satisfaction of the conditions specified in the amendment. Director Forsyth seconded, and all voted in favor of the motion.

Mr. Stamper reported that the Rennie Lift Station Conversion was almost completed. He also stated that there was a leak in the force main under the site's driveway, and it would be repaired in the upcoming days. He presented and recommended Payment Application No. 7 in the amount of \$54,855.00, less ten percent retainage. After discussion, Director Cameron moved to approve Payment Application No. 7 as presented. Director Nordhaus seconded, and all voted in favor of the motion.

Mr. Stamper reported that the Construction for the Section 6 Sanitary Sewer Rehabilitation project was underway and continuing to progress. He also stated the Board would likely receive a pay application at the next Board meeting.

Mr. Stamper informed the Board that Mr. Dougherty was working with CFG Industries, LLC insurance provider on execution of contracts for the Galleon Oaks GST Improvements. Mr. Dougherty reported they were close to being completed.

Mr. Stamper reported to the Board that the design phase of the Sanitary Rehabilitation Project for Sections 1 & 3 was awaiting survey and completion of the specifications.

Mr. Stamper also informed the Board that he had been coordinating with the District Operator for the Dominion Well motor replacement.

Mr. de Leon informed the Board that discussions with Green Trails MUD regarding the emergency interconnect for an apartment project were still underway. He said he would continue to work with Mr. Dougherty on sorting through the details on billing rates, amending the rate order, and signing an agreement.

Mr. de Leon stated that he had received revised plans for the Mason Garden project (on Shillington Drive). He reported the owner's engineers had satisfied the prior issues with the proposed plat. He said further discussion with Mr. Dougherty would be needed to approve the plat. After discussion, Director Forsyth moved to approve the plat subject to comments from the District's engineer and attorney, but also subject to approval from other entities. Director Cameron seconded, and all voted in favor of the motion.

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

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

STP's. Director Nordhaus informed the Board that the West Memorial STP was experiencing issues with the transfer switch for one of the generators. He mentioned that the District should expect a "pass through" for part of the repair costs. He also informed the Board that the West Memorial STP had a clogged drain in one of its pumps. He said that the operator had *E. coli* levels tested and found levels exceeding TCEQ parameters. He said West Memorial MUD had notified TCEQ and had the issue resolved in a timely manner.

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

System Operations, Rates, Etc. Mr. Parrott reported that the total water pumped from July 16th through August 15th was 29,743,000 gallons, and consumption was 28,377,000 gallons, indicating a possible loss (or unaccounted-for amount) of 1,366,000 gallons, or 4.59%. Mr. Parrot informed the Board that the District's insurance carrier had agreed to "total" the 2019 Ford Ranger, and pay the District actual cash value less the deductible (and pay the charges assessed by the Auto Nation dealership for partially repairing the vehicle). Mr. Dougherty recommended the Board authorize the District Operator to sign release forms and title forms (subject to payment). After discussion, Director Castellano moved to authorize the District Operator to sign the necessary forms. Director Cameron seconded, and all voted in favor of the motion. Mr. Parrott also informed the Board that a sewer line at the intersection of Crossfield and Tilstock was televised, and it needed point repairs along 395 feet of sewer line. Mr. Parrott said he had received several bids for the repairs but was waiting for a bid from the PM Construction firm. Mr. Dougherty pointed out the need for engineering plans and specifications, and recommended that the Board authorize the necessary work. After discussion, Director Nordhaus moved to authorize a work order for Venturi Engineers, LLC to provide the necessary engineering services, working with the District Operator. Director Castellano seconded, and all voted in favor of the motion.

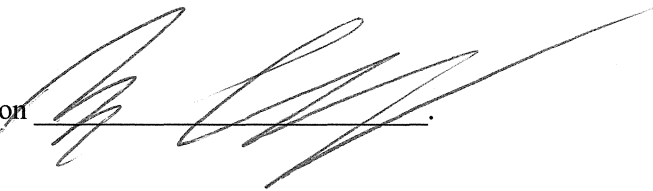
Administrative Matters. Mr. Dougherty reported that Director Forsyth had indicate that he wanted to submit his resignation effective at the end of the meeting. Mr. Adams and Mr. DuBos introduced themselves, provided their qualifications for Board member, and each signed and filed a Director Affidavit. After discussion, Director Cameron moved to accept Director Forsyth's resignation, effective at the end of the meeting. Director Castellano seconded, and all voted in favor of the motion. Director Nordhaus moved to appoint Mr. Adams to fill the vacancy for the unexpired portion of Mr. Forsyth's term. Director Forsyth seconded, and all voted in favor of the motion.

Ms. Saccomen presented a proposal from proposal from the A. J. Gallagher firm for the annual renewal of the District's insurance policies (including a cyber security policy). She noted that there was a six percent increase in premiums, bringing the total cost of renewal to \$119,984.00. After discussion, Director Cameron moved to approve the annual insurance renewal as presented. Director Nordhaus seconded, and the motion was unanimously carried.

Next Meeting: Director Castellano moved to approve the regular meeting set for Wednesday, October 16th, 2024, at 6:30 PM at the District's office. Director Nordhaus seconded, and the motion 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



SIGNED: October 16, 2024