

# 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 **regular meeting** at 847 Dominion Dr., Katy, Texas 77450, on **February 12, 2025, at 6:30 P.M.** The duly elected members of the Board of Directors were:

Brian C. Connolly	President
James K. Nordhaus	Vice President
Fredrick J. Castellano	Assistant Treasurer
John H. Cameron	Director
Joe M. Adams	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 Brenton 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.** 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 meeting minutes for the regular meeting on January 15<sup>th</sup>, 2025. Director Nordhaus seconded, and all voted in favor.

**Delinquencies, Etc.** 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 Castellano 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 carried by a unanimous vote.

**Bookkeeping, Etc.** Mr. Davenport presented the bookkeeper’s report including the cash disbursement report for January 16<sup>th</sup>, 2025, through February 12<sup>th</sup>, 2025. There was a question about the \$7,200 annual limit on fees of office. Mr. Dougherty reported that the District’s auditors used the fiscal year as the accounting period for fees of office and that they generally used the accrual method (but they might look at the cash method in any particular case). After a brief discussion, there was motion amend Appendix G of the District’s rate order to require the use of the fiscal year and the accrual method to account for fees of office (unless the District’s auditor approves a different method) and to reflect per diem rates previously authorized. The motion was seconded and adopted.

Mr. Davenport then presented the investment report for the period ending January 31<sup>st</sup>, 2025. Director Cameron moved to accept the investment report, as presented, and to order that a written instrument be adopted, as shown in the report, stating that the Board reviewed the District’s investment policy and investment strategies and decided to make no changes to them. Director Castellano seconded. The motion passed unanimously. After discussion, Director Cameron moved to accept the bookkeeper’s report as presented. Director Nordhaus seconded, and all voted in favor of the motion.

**Bills, Etc.** Director Cameron moved to accept the bills as presented (and authorize the checks that had been prepared to pay them). Director Adams seconded. The motion was carried by a unanimous vote.

**Taxes.** Ms. Loaiza gave the Tax Assessor-Collector report indicating the total 2024 taxes collected through January were \$2,564,627.00, and 2024 taxes receivable on January 31, 2025, at \$314,253.42. Reported receipts of taxes during January were \$946,559.60. Checks were presented in the total amount of \$941,668.79. The reported percentage of collections of 2024 taxes was 91.78%. Director Cameron moved to accept 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. Blich presented a homestead exemption study and reviewed the current exemptions (homestead, over-65 and disabled) with the Board. He recommended no changes.

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 Connolly, Castellano, Nordhaus, Cameron, and Adams

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 Connolly, Castellano, Nordhaus, Cameron, and Adams

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 Connolly, Castellano, Nordhaus, Cameron, and Adams

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 Connolly, Castellano, Nordhaus, Cameron, and Adams

Nays: None

Absent: None

**Water Supply, Etc.,** Mr. Dougherty reported that he had a discussion with the attorney for HCMUD#345 about the previously proposed emergency interconnect and had also sent a letter. He said that he had not received any response to the letter (sent to both HCMUD#345 and HCMUD#346).

Mr. de Leon reported on the Green Trails MUD apartment interconnect. He added that GTMUD sent over an exhibit and agreed to pay all costs for the interconnect. After discussion, the Board tabled the matter until further information was provided.

**Engineering, Projects, Etc.** Mr. Stamper presented and recommended pay application no. 5 from PM Construction & Rehab, LLC for \$49,167.00 less the 10% retainage for the Section 6 Sanitary Sewer Rehabilitation project. After discussion, Director Cameron moved to approve Pay Application No. 5 as presented. Director Castellano seconded, and all voted in favor of the motion.

Mr. Stamper informed the Board that the coating for the Galleon Oaks GST Improvement project was complete and that he was awaiting the proper documents to recommend the final pay application for the project.

He noted that the surveys and design for the Section 1 and 3 Sanitary Sewer Rehabilitation project were completed. He said the documents would be submitted to the City of Houston and Harris County next week.

He stated that he had not heard back from the electrical engineer for the Dominion Well Motor Replacement Project, but that he would continue to reach out.

He informed the Board that the plans for the Sherfield Ridge and Park Bend Waterline Replacement Project had been submitted to Harris County in December, and he had recently received comments from the County. He noted that he would address the comments and resubmit the plans later in the week.

He also reported that the repair at the intersection of Houghton and Kingsland Blvd was completed, and he would create an exhibit for the District’s records.

Mr. Stamper reported that the check for part of the retainage, as stipulated in the second amendment to the Rennie Lift Station contract, had been presented and approved earlier during the meeting. He noted that the check would be held until he received the required documents for its release. After discussion, Director Cameron moved to reapprove the contract to include the second amendment. Director Nordhaus seconded, and the vote passed unanimously.

Mr. Dougherty reported that, as of the last contact with IIC's attorney, IIC was working on the final documents needed for the final pay estimate for the Brondesbury Lift Station project. He added that he reminded the attorney that the small partial payment was still available to them, but there had not been a request for the payment. Mr. Stamper informed the Board that the punch list still hadn't been completed.

Mr. de Leon reported that there were problems with the valves and the related equipment for Rennie Lift Station. He added that the air-release valves, pressure switches and surge relief valves were not performing properly due to how the assembly was configured. He noted that the set up and specifications for the valves were approved by the manufacturer, DeZurik. He said that the contractor had emailed DeZurik to confirm that the configuration would work, and DeZurik had confirmed that it would. Mr. de Leon said that DeZurik had sent out a field representative in January to diagnose the problem, who reported that the lines connected to the air-release valves were too small, and that the set up needed reconfiguring. Mr. de Leon noted that the problem with the lines connected to the air-release valves was being corrected. He said the DeZurik representative also recommended that the valve configuration be reconfigured. Mr. Stamper said the valve configuration was built to DeZurik's specifications, but that their representative had reported that the configuration was not operating properly. Therefore, he said DeZurik was responsible for the cost to reconfigure. Mr. Stamper said he expected a response the following week, and the approximate reconfiguration was \$38,000. After discussion, the Board asked Mr. de Leon to let the contractor know that they need to work with DeZurik and get the problem resolved (and update the Board in March).

Director Castellano moved to approve the engineers' report as presented. Director Adams seconded, and the motion was adopted unanimously.

**Energy & Streetlights.** Director Cameron provided a report from P3 (Public Power Pool). Mr. Dougherty informed the Board that Mr. Diehl had asked that a Director accompany him to Webster so that they observe the proposed new 95w bright white LED streetlights in operation. After discussion, the Board asked Director Cameron to go with Mr. Diehl and report their findings to the Board in March.

**Multi-Agency Matters.** There was no action taken.

**STP's.** Director Nordhaus reported that WMMUD had filed a request from TCEQ for an emergency bid for a catwalk collapse repair. He added that there was nothing new to report on the Cinco Regional STP.

**Recreational Facilities, Etc.** Mr. Parrott reported that the tennis courts were inspected, and the recommendation was to resurface all the courts at a cost of \$63,160. He added that the tennis contractor would meet with Director Nordhaus the following week. Director Nordhaus said he would come up with a three-to-five-year plan to address the repairs of the courts.

Mr. Parrott presented recommendations and a quote from Sweetwater Pools Inc. for pool resurfacing. He noted that replastering had not been performed in eight years. After discussion, Director Cameron moved to approve a temporary pool patch at a cost of \$750 by Sweetwater Pools Inc. (to last until the end of the pool season), and to get bids for the replastering after the end of the swim season. Director Castellano seconded, and the motion was unanimously carried.

Mr. Parrott presented a quote for the new sign at the community center. He estimated the cost to be between \$10,000 and \$13,000. After discussion, Director Adams moved to approve the new sign as presented. Director Castellano seconded, and all voted in favor of the motion.

Ms. Susan Saccomen presented the annual Sweetwater Pool Contract renewal. She noted that the indicated increase was approximately \$2,000. Director Cameron moved to approve the renewal of the Sweetwater contract as presented. Director Nordhaus seconded, and the motion was unanimously passed.

Ms. Lorraine asked the Board about promotional items to be offered at the pool open house. After discussion, Director Cameron moved to approve up to \$4,000 to purchase towels as promotional items for pool members. Director Adams seconded, and all voted in favor of the motion. The Board also asked that the open house have the same amenities as the prior year.

Ms. Lorraine presented a contract counteroffer from the tennis pro Anderson Kelly. After discussion, Director Cameron moved to approve an amended contract to include Mr. Kelly's offer effective March 1, 2025 without either of the offered options. Director Castellano seconded, and the motion was unanimously carried.

Ms. Samantha Saccomen reported that she had set up a virtual tour of the community center rooms and had it posted on the website. She also said that the webmaster improved the website's viewability. Ms. Lorraine presented a quote of \$580

for 2,800 bill inserts promoting the community center to be included in the March paper and electronic bills. The Board agreed to the bill insert,

**Operations & System Matters, Development, Etc.** Mr. Parrott reported that the total water pumped from December 16<sup>th</sup> through January 15<sup>th</sup> was 9,805,000 gallons, and consumption was 9,002,755 gallons, indicating a possible loss (or unaccounted-for amount) of 802,245 gallons, or 8.8%, for the month of January. He added that the difference was mainly due to system-wide flushing and flow testing.

Mr. Parrott presented a quote of \$20,435.00 for the Houghton Well site roof repair and gutter replacement (both buildings) and wall and door replacement for one of the buildings. After discussion, Director Cameron moved to approve the quotes as presented. Director Adams seconded, and all voted in favor of the motion.

Mr. Parrott reported that the Cathco firm had reported, after inspection, that hydrant repairs were needed. He said that the cost for all the repairs was approximately \$24,000. After discussion, Director Castellano moved to approve the hydrant repairs. Director Nordhaus seconded, and all voted in favor of the motion.

**Administrative Matters.** President Connolly presented the renewal of the District employee annual health insurance. He noted that the current policy would increase approximately 15%, and other options were explored but would not be as comprehensive. His recommendation was to renew the current policy with Memorial Hermann with the 15% cost increase. After discussion, Director Cameron moved to approve the policy renewal with Memorial Hermann as presented. Director Nordhaus seconded, and all voted in favor of the motion.

Near the end of the meeting, the Board reviewed data of staff pay rates in 2023 and 2024, including the previous increases. There was a general discussion about pay rates, including corporate practices and inflation. The Board reached a consensus to develop a set of pay increases for 2025 that would aggregate approximately \$20,450/year (representing about 3.5% of aggregate annual base payroll) and to hold a special meeting to consider them. The President said he would ask the District's supervisors to recommend individual pay rates for District employees, and he asked Directors to gather data on comparable pay rates and pay policies, all for consideration at the special meeting.

**Next Meeting:** There was a motion to approve the regular meeting set for Wednesday, March 12, 2025, at 6:30 PM at the District's office. The motion was seconded and adopted.

**Adjournment.** There being no further business to discuss, the meeting was adjourned.

REVIEWED AND APPROVED BY THE BOARD on March 12, 2025.

SIGNED: 