

MINUTES
MAYDE CREEK MUNICIPAL UTILITY DISTRICT

June 24, 2019

The Board of Directors (the "Board") of Mayde Creek Municipal Utility District (the "District") met in regular session, open to the public, on June 24, 2019, at the Mayde Creek Event Center, 19600 Misty Cove, Katy, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

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|------------------------|----------------|
| Willie Jo Reynolds | President |
| Jorge Diaz | Vice President |
| Jean Chevalier | Secretary |
| Betty Mancía Alvarenga | Director |
| Cyrus Dumas | Director |

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Kristen Scott of Bob Leared Interests; Teague Harris of IDS Engineering Group ("IDS"); Bart Downum and Eric Thiry of Environmental Development Partners, LLC ("EDP"); Michael Murr of Murr Incorporated; Claudia Redden of Claudia Redden & Associates; Tonie Pettit, building manager; Bob Manning of Boston Fern; Deputy Morris Thomas and Deputy Stephanie Sube of the Harris County Sheriff's office; Joe Woodard and Semalee Bilbrey of Clay Road Municipal Utility District; Jessica Graham, a resident of the District; Kisha Langham and Mordecai Harris, renters of the event center; and Angie Lutz, Sharon Covan and Arlene Catalan of Allen Boone Humphries Robinson, LLP ("ABHR").

PUBLIC COMMENTS

Ms. Langham and Mr. Harris addressed the Board to discuss events that occurred on June 7, 2019, and June 8, 2019, during their wedding rehearsal and wedding held at the Mayde Creek Event Center. Mr. Harris said they building and exterior were a beautiful wedding site. Mr. Harris began by discussing the Facility Use Agreement. He said several issues arose that were not clearly stated in the Agreement, including no food outside, no chairs or tables on the grass, and the requirement to mop the floor in the ballroom. He said on the day of the wedding, the windows were not covered and his wife did not have privacy for dressing. Mr. Harris said he wanted the Board to understand the issues they faced and the ill-treatment received from Tonie Pettit.

Ms. Pettit described the events that took place before the rehearsal and during the wedding. She stated food outside and a food truck were approved by Director Chevalier. Ms. Pettit said the food truck was in an accident and did not arrive and a portable grill was set up outside instead. She said the griller did not have any plates

and she provided the plates. Ms. Pettit said she didn't know there was going to be a singer set up, but Ms. Pettit approved walking on the grass. Ms. Pettit said the front door was briefly open, because she had other clients that had toured the building and were leaving.

Ms. Pettit said the wedding vendors arrived to set up about 20-25 minutes prior to the arrival of Mr. Harris. She said that as a courtesy to Mr. Harris, she met with the vendors until the wedding coordinator arrived. Ms. Pettit said a vendor had an accident during the event and an ambulance and the fire department were called.

Ms. Pettit said Ms. Langham was invited to use the upstairs restroom to dress. She said the officers observed guests walking in the parking lot with alcohol, which is not permitted. Deputy Sube confirmed that guests were walking outside with alcohol and said the front door was locked, at the direction of the wedding coordinator, as no one was allowed into the ballroom until 9:00 p.m. Deputy Sube confirmed Ms. Pettit's account of the evening.

Ms. Pettit said Mr. Harris refused to mop the floors, which were wet and sticky from alcohol. Ms. Pettit provided photographic proof of the condition of the floors at the end of the event. She said the wedding coordinator's purse was taken, and she was seriously agitated. Ms. Pettit said the purse was later returned.

Ms. Pettit said the Mr. Harris and Mr. Langham were charged for going over the time reserved for the ballroom.

Director Reynolds summarized the discussion and said the Board appreciates all of their comments and that clarity will be provided in the Facility Use Agreement. Mr. Harris and Ms. Langham left the meeting.

MINUTES

The Board considered approving the minutes of the May 20, 2019, meeting. After review and discussion, Director Dumas moved to approve the minutes of the May 20, 2019, meeting. Director Dumas seconded the motion, which passed unanimously.

GARBAGE SERVICES

Director Reynolds said she received notification from the Harris County Sheriff's office to expect a contract patrol rate increase of 4.9% effective March 1, 2020.

SECURITY REPORT

Deputy Thomas reported on security matters and distributed a report from the Harris County Sheriff's Office, a copy of which is attached. After discussion, Director Dumas moved to accept the security report. Director Chevalier seconded the motion, which passed by unanimous vote.

SECURITY AGREEMENTS; CAMERAS; ALARM MONITORING

Director Diaz discussed the services provided by Texas Patrol Division. He suggested increasing the patrol from six hours to eight hours four days per week during the summer. After review and discussion, Director Chevalier moved to approve the additional patrol hours. Director Diaz seconded the motion, which passed by unanimous vote.

ENERGY MATTERS

There was no report on this matter.

TAX ASSESSMENT AND COLLECTION

Ms. Scott reviewed the tax assessor/collector's report, including a list of bills submitted for payment and list of delinquent taxpayers, a copy of which is attached. She said Shield Air made the final payment for their payment in lieu of taxes. After review and discussion, Director Diaz moved to approve the tax assessor collector's report and authorize payment of the bills submitted. Director Alvarenga seconded the motion, which passed unanimously.

Ms. Scott requested an agenda item for the July meeting to discuss amending the agreement with Bob Leared Interests.

DELINQUENT TAX MATTERS

Ms. Scott said she will ask the delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, PLLC ("Perdue Brandon") to provide a delinquent tax report for the August Board meeting.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the delinquent tax attorney to proceed with the collection of delinquent taxes. After discussion, Director Diaz moved to authorize Perdue Brandon to proceed with the collection of delinquent taxes. Director Alvarenga seconded the motion, which passed by unanimous vote

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. After discussion, Director Diaz moved to authorize reimbursement of the eligible conference expenses to Directors

that attended and to authorize Board members to attend the winter AWBD conference in Dallas, Texas. Director Alvarenga seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING

Ms. Redden reviewed the bookkeeper's report, a copy of which is attached, and the bills submitted for payment. She said unauthorized checks were written on the District's general fund account. Ms. Redden said she is working with Compass Bank to close the account and open a new one. Discussion ensued regarding utilizing a Positive Pay System. After discussion, the Board determined not to use a Positive Pay System at this time.

After review and discussion, Director Dumas moved to accept the bookkeeper's report. Director Diaz seconded the motion, which passed by unanimous vote.

REPORT ON LANDSCAPE MAINTENANCE

Mr. Manning reported on the status of landscaping. He said exterior non-working lights and wiring were replaced along with a few plants after the event on June 8, 2019, at a cost of \$150.00. Mr. Manning said the lights were working on June 6, 2019. After discussion, Director Chevalier moved to accept the landscape maintenance report. Director Alvarenga seconded the motion, which passed by unanimous vote. Mr. Manning suggested adding language to the Facility Use Agreement regarding consequences if landscaping or lighting are damaged.

PARK AND TRAIL REPORT

Mr. Murr reviewed the Park Maintenance Report, a copy of which is attached. He said there is hole in the wood of the decking on one of the bridges at the north detention area. Mr. Murr recommended replacing the wood decking on both bridges to ensure pedestrian safety. After discussion, Director Dumas moved to authorize spending up to \$10,000 to repair and replace the bridges and to approve the Park and Trail Report. Director Diaz seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Mr. Downum reviewed the Operator's Report, a copy of which is attached, including system repairs and maintenance. He said an insurance claim was filed for replacement of the 15" control screen at the water supply plant. Mr. Downum said the District's insurance paid \$900.00 on the claim for damage at the water supply plant and wastewater treatment plant due to a lightning strike.

Mr. Downum discussed electrical repairs to blower no. 2, blower no. 4 and two starters at the wastewater treatment plant. He said repairs are estimated to cost \$10,000. Mr. Downum said an insurance claim has been filed and requested authorization to

begin the work. Mr. Harris said the surge protection equipment may be wearing down and less effective. Mr. Downum said he will investigate preventive maintenance for the surge protection equipment.

Mr. Downum said there was an E. coli excursion at the wastewater treatment plant on April 4, 2019. He said the Texas Commission on Environmental Quality was notified and the cause of the high E. coli reading is being investigated.

Mr. Downum requested the Board consider amending EDP's agreement with the District at the next meeting to provide for annual Consumer Price Index cost increases.

The Board reviewed the delinquent account report. After review and discussion, Director Dumas moved to: (1) authorize EDP to proceed with repairs to the blowers and starters at the wastewater treatment plant at an estimated cost of \$10,000; (2) investigate preventive maintenance for the surge protection equipment at the wastewater treatment plant; (3) authorize an agenda item to review the contract with EDP; and (4) approve the operator's report. Director Alvarenga seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

The Board reviewed the list of delinquent accounts. Mr. Downum informed the Board that the residents on the termination list were delinquent in payment of their utility bills and had been given written notification prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct the utility service bill and show reason why utility services should not be terminated for reason of nonpayment. The Board conducted a hearing regarding water and sewer service termination. After review and discussion, Director Dumas moved that, because the customers on the list were not present at the meeting, nor had presented any written statement on the matter, all utility services should be terminated, if their utility bills are not paid in accordance with the District's Amended Rate Order. Director Alvarenga seconded the motion, which passed by unanimous vote.

SIXTH AMENDMENT TO WASTE DISPOSAL CONTRACT

Ms. Lutz reviewed an Amendment to the Waste Disposal Contract with Ricewood Municipal Utility District ("Ricewood") and Clay Road Municipal Utility District ("Clay Road"). She said the amendment is to extend the date of the contract to August 10, 2019. After review and discussion, Director Dumas moved to approve the Sixth Amendment to Waste Disposal Contract, as stated. Director Diaz seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Harris reviewed the engineering report, a copy of which is attached.

WATER SUPPLY AND DISTRIBUTION SYSTEM

Mr. Harris said corrections have been made to the District's Utility Index Map based on EDP's water line valve survey.

REGIONAL WASTEWATER TREATMENT PLANT REHABILITATION

Mr. Harris said plans and specifications for the wastewater treatment plant rehabilitation project will be submitted to agencies the first week in August.

WASTEWATER TREATMENT PLANT LIFT STATION CONVERSION TO SUBMERSIBLE PUMPS

Mr. Harris discussed the scope of the regional wastewater treatment plant rehabilitation. He said after discussions with Ricewood's and Clay Road's engineers, it was agreed to replace the first upstream manhole and a section of sewer pipe as part of the rehabilitation project. Mr. Harris discussed the design of three ultimate pumps based on 1,000 million gallons per day ("MGD") since the monthly average flow at the plant over the last five years has ranged from 0.800 MGD to 0.890 MGD. He said this approach will reduce the impact on the treatment components at the wastewater treatment plant and result in a more stable treatment process.

SITE DEVELOPMENT REQUESTS AND UTILITY COMMITMENT LETTERS

There was no discussion on this matter.

DEEDS AND EASEMENTS

There were no deeds or easements presented to the Board.

ASSET MANAGEMENT PLAN

There was no discussion on this matter.

After review and discussion, Director Chevalier moved to approve the engineer's report. Director Diaz seconded the motion, which passed by unanimous vote.

BUILDING MANAGER'S REPORT AND BUILDING MATTERS

Ms. Pettit distributed the Building Manager's Report, a copy of which is attached, and reported on building matters, scheduled events, and marketing efforts. She said a new camera was installed at the front entrance. After discussion, Director Chevalier moved to accept the Building Manager's Report. Director Reynolds seconded the motion, which passed by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

There was no report on the WHCRWA.

REPORTS FROM DIRECTORS

There were no reports from Directors.

ACCEPT RESIGNATION OF DIRECTOR CHEVALIER; APPOINTMENT OF NEW DIRECTOR

Director Chevalier said she is moving and asked the Board to accept her resignation from the Board of Directors.

The Board and consultants thanked Director Chevalier for her service to the District.

The Board considered accepting the resignation of Director Chevalier. After review and discussion, Director Dumas moved to accept the resignation of Director Chevalier. Director Diaz seconded the motion, which passed by unanimous vote.

The Board considered appointing a director to serve the remainder of Director Chevalier's term. Jessica Graham was introduced as a person both willing and qualified to serve on the Board of Directors. After discussion, Director Dumas moved to appoint Jessica Graham to the Board of Directors for a term that expires in May 2020. Director Diaz seconded the motion, which passed by unanimous vote.

APPROVE SWORN STATEMENT, OFFICIAL BOND AND OATH OF OFFICE FOR NEW DIRECTOR

Ms. Lutz reviewed the Sworn Statement, Official Bond and Oath of Office for Director Graham. After review and discussion, Director Dumas moved to approve the Sworn Statement, Official Bond and Oath of Office and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law. Director Diaz seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD; DISTRICT REGISTRATION FORM

The Board considered reorganizing the Board of Directors. Following discussion, Director Dumas moved that Director Alvarenga serve as Secretary, Director Graham serve as Director, and all other Directors retain their current positions. Director Diaz seconded the motion, which passed by unanimous vote.

Director Dumas said he will serve as liaison on building matters and landscaping. Director Diaz said he will continue to serve as the security liaison.

The Board considered authorizing the execution of the District Registration Form, updated to reflect the appointment of Jessica Graham. Following review and discussion, Director Dumas moved to authorize the execution of the District Registration Form and direct that the Registration Form be filed appropriately and retained in the District's official records. Director Diaz seconded the motion, which passed unanimously.

OPEN MEETINGS ACT TRAINING REQUIREMENTS

Ms. Lutz said the Texas Legislature requires each elected or appointed public official to complete a course of training regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act within ninety days of receiving the appointment.

CONFLICT OF INTEREST DISCLOSURE; LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Lutz reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest.

Ms. Lutz stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. The Board reviewed the List of Local Government Officers. After review and discussion, Director Dumas moved to approve the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Diaz seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION COMMENDING JEAN CHEVALIER FOR SERVICE TO THE DISTRICT

The Board considered adopting a Resolution Commending Jean Chevalier for Service to the District. Director Reynolds read the Resolution. After review and discussion, Director Dumas moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's records. Director Diaz seconded the motion, which passed by unanimous vote.

AGENDA ITEMS FOR NEXT BOARD MEETING

There was no further discussion on items for the next Board meeting to be held on July 22, 2019.

There being no further business to come before the Board, Director Dumas moved to adjourn the meeting. Director Chevalier seconded the motion, which passed by unanimous vote.



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Secretary, Board of Directors

ATTACHMENTS TO MINUTES

| | Minutes |
|---|-------------|
| | <u>Page</u> |
| report from the Harris County Sheriff's Office..... | 2 |
| Tax assessor/collector's report | 3 |
| bookkeeper's report..... | 4 |
| Park Maintenance Report | 4 |
| Operator's Report..... | 4 |
| Engineering report..... | 5 |
| Building Manager's Report | 6 |