**MINUTES OF MEETING**

**MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT**

**DISTRICT NO. 1**

**July 21, 2020**

**STATE OF TEXAS §**

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**COUNTY OF MONTGOMERY §**

The Board of Directors of Montgomery County Water Control and Improvement District No. 1 of Montgomery County, Texas, met in regular session, open to the public, beginning at 2:00 P.M., at the District’s office, 25611 Spreading Oaks Lane, Spring, Texas 77380, on Tuesday, July 21, 2020, and the roll was called of the duly constituted officers and members of the Board, to-wit:

 Wayne Stringer President

 James Jacobs Vice President

 Nancy Loring Secretary - Via Zoom

 Janet Young Treasurer

 Christine Rife Assistant Secretary / Treasurer

All directors were present, thus constituting a quorum.

Other persons present included: William Rackley, AEI Engineering LLC; Mark Galan, MCR IT Services; Brian Desilets, Santos Acuna Precision Utility; Cy Sturm, CDM Excavating; Jackie Chance, Rick Hughes, Carol Garrett and John Borowski, District Staff. Attending remotely was Michael A Cole, P.C., Attorney for the District; Joanne Ramos, Utility Tax Service

The meeting was called to order at 2:00 PM

1. **Minutes of Prior Meetings**

Upon Board consideration, Director Young motioned for approval for the minutes of June 16, 2020, Regular Meeting, the motion was seconded by Director Jacobs and carried by unanimous vote.

1. **Customer Comments to Address the Board of Directors Concerning Any Issues that is not on the Agenda**

President Stringer opened the meeting to receive public comments. During this time, Mr. Chance requested that each individual announce their name as they speak for those listening to the videos. There being no one available for comment, President Stringer closed the meeting to public comments.

1. **New Service and Annexation Requests and Proposed Feasibility Studies**

No one was available at this time.

1. **Execution of Agreement with Nicolette Hardwicke and the Angel Michael Trust for Serving the Padding British School**

The agreement requesting water and sanitary sewer service with proprietors Nicolette Hardwicke and The Angel Michael Revocable Trust, for the Paddington British School located on Sawdust Road, was made available for board review and consideration for approval. Discussion was had regarding stables for animals that are located on the property that has the possibility to be put to use that may not meet District approval. The Board decided to post pone the consent for approval at this time for until the matter has been resolved. No other discussion was had on the matter.

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1. **Tax Assessor / Collector’s Report on Financial for Tax Revenue and Invoices for Payment**

The Tax Assessor / Collector’s Report including expenditures for the month of June 2020 was delivered for board review. Ms. Joanne Ramos was available by video conference to present the report. Upon Review and consideration of the report, it was noted that the amount collected for 2019 taxes is at 96 percent at which point it was discussed that the due date of payment of taxes have not been delayed due to Covid-19 however, concessions will be made for those unable to pay at this time due to the epidemic. Upon board discussion, Director Young moved to accept the Tax Assessor and Collection Report for the month of June 2020, including expenditures as presented. The motion was seconded by Director Rife and carried by unanimous vote. On other matters, Ms. Ramos provided an addendum for board consideration to be added to the Agreement with the District and Utility Tax Service for all actions performed to ensure District’s compliance with Texas Tax Code Section 26.17 as amended. The Assessor Collector shall provide to the appropriate appraisal district, a representative for those items and updates required by Texas Tax Code Section 26.17 through the database(s) and/or Website(s). The addendum reflects that a charge of $75.00 per hour will be added to the existing rate and will remain in force as long as the Tax Agreement remains active. Acceptance for the addendum was postponed until board review of the document.

1. **Bookkeeper’s Report on the District’s Financials including the Investments, Reserve Accounts, and Invoices for Payment**

Mr. Brian Desilets presented the Bookkeeping / Investment Report including expenditures as of June 30, 2020. On other matters, he discussed the following: **1.)** advised that two members on the board are up for renewal for Investment Officer Training. It was noted to postpone the training until after the election on November 3rd**. 2.)** balances for the projects for the Feasibility Studies. There being no other items to discuss, Director Rife motioned for approval for the bookkeeping/Investment Report for June 2020, and approval of the payment of bills as shown in the report. The motion was seconded by Director Young, which carried by unanimous vote.

1. **Attorney’s Report on Legal Matters Related to the District**

The Attorney’s Report for June of 2020 was delivered for board review. Mr. Cole was available by video conference to present his report and the following items were discussed: **1.)** The application to the City of Houston for the annexation for the wedding venue on Sawdust Road continues to be on hold regarding the City’s approval pending required documentation that has been requested by the attorney of the District but not yet received, namely a certificate of incumbency and authority to act on behalf of the lender bank; **2.)** Mr. Cole’s office is proceeding with preparations for the Directors Election on November 3, 2020; **3.)**  upon discussion on the agreement with the Paddington British School, the Board decided to post pone the consent of the contract as noted in line item No. 4 of these minutes. Mr. Cole advised that the agreement was revised to add additional provisions such that if all or any part of the property to be served becomes tax-exempt, the agreement will terminate. Additionally, it does allow the property to be conveyed to an LLC or other similar entity owned by Ms. Hardwicke. It was noted that the owner will be making payments in lieu of taxes therefore there will be no multiplier of rates paid for service. It was also confirmed that no animals of the type discussed earlier in the meeting have been on the property since owned by Ms. Hardwick and that she certainly agrees that she will not allow animals to be housed on her property nor for any animal waste infiltrate to or be discharged into the sanitary sewer system to serve her property and that this may be added to the agreement. No other discussion was had regarding the agreement. There being no other items to discuss, Director Rife motioned for acceptance of the Attorney’s Report which was seconded by Director Young and carried by unanimous vote.

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1. **Engineer’s Report on the Status of Construction within the District, Development Controls, Outstanding Contracts, Change Orders, and MS-4 Program**

Mr. Bill Rackley presented the engineer’s report for the month of July, 2020 and discussed the following items: **1.) Woodmill Creek** **Detention Ponds –a.** the monthly maintenance inspections for the Detention/Mitigation Ponds was conducted July 14 and AEI recommended payment approval for the amount of $356.60. -**b.** the seeding at Pond A is continuing to grow at Pond A. **-c** the access stairs install for the pond B is still underway however the repair costs for the washout at the Pond is pending; **2.) MS-4 Program -**Public notice documentation was required this month and AEI has taken photos of the public notice identifiers; **3.) Park Restrooms –** AEI continues monitor the contractor to keep them on pace. Pay Estimate No. 5 for $ 20,396.25 was received from MoBill and AEI recommended approval of payment. It was noted that the contract is at 82% completion by value. **4.) Lift Station No. 3 Relocation –** Still waiting on the County for pricing; **5.) Water Line Rehab** **–** AEI received approval from the City on the plans, waiting on the mylars to be returned with City signatures; **6.) Grit Removal Manhole –** The project has been closed out contingent upon on signature on revised Certificate of completion due to a typo error; **7.) New Water Plant Site –** Nothing new to report; **8.) New Development on Glen Loch** **Plaza–** The developer removed the majority of the fill however, the County noted that a survey was required validating the natural ground levels. The developer has not provided the survey yet. **9.) - Elevated Storage Tank Rehab and Water Plant No. 2 Rehab – The interior of the tank is almost complete.** **a.** Additional damage was found during the blasting of the tank. He noted that the mushroom vent fell apart and the manway to the tank was in poor condition and needed rewelding. Change Order No. 3 will consist of the cost for the repair to the manway is $2,500 and the cost for the to replace the mushroom vent is $4,500. **b.** Pay Estimate No. 2 for $78,165 was received and recommended approval contingent on AEI satisfactory review and submission of paperwork to the District. **10.) Water Well No. 4 –** Weisinger Water Service completed replacing the equipment and the testing for the bacteriological results passed. Currently waiting on performance testing which has been hampered by the gas dissolve in the water. Matters to resolve the issue was discussed. It was noted in the report that no pay request has been received from Weisinger at this time. There being no other items to discuss on the Engineer’s Report, the following motions were discussed: Director Jacobs motioned to accept the revised Certificate of Completion for Gillian Smith for the Grit Removal System install at the sewer plant. The motion was seconded by Director Rife and carried by unanimous vote; Director Rife motioned for approval for the July facility maintenance at Woodmill Creek, motion was seconded by Director Young and motion carried; Director Young motioned to approve Pay Estimate No. 5 for $20,396.25 for the work on the interior walls, roofing, electrical and the sidewalks at the Park Rest Rooms. Upon discussion on the matter, the motion was tabled until the July 28 meeting; a request for approval on Pay Estimate No. 2 for $78,165 and Change Order No. 3 for the work completed on the Elevated Storage Tank. The request was postponed until the July 28 meeting; Director Rife motioned to accept the Engineer’s Report for the month of July 2020. The motion was seconded by Director Young and carried by unanimous vote.

1. **District Project Report on the Sanitary Sewer System Rehabilitation, Water Line Replacement, New SCADA System and Lift Station Modifications**

The item was postponed until the July 28th board meeting.

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1. **Operator’s Report on the District’s Water and Waste-Water System**

John Borowski presented the Operator’s report for July 21, 2020 and discussed the following:

**Waste-Water System: 1.) -** total flows for the month; **2.)** final review on the SCADA System showed no issues to report; **3.) -**the trip overload block on pump #2 at Lift Station No. 1 had to be replaced.

**Water System: 1.) -**total water production for the month and discussed the annual daily average usage. **2.)** all parts are in for the install of the CLA-Val at Water Plant No 1; waiting for the elevated storage to be finalized prior to the install **3.)** Water Plant No. 2 should have no issues on meeting the water demand this time of year however, Water Plant 1 will go back online as soon as the elevated storage tank is completed. There being no other items to discuss, Director Jacobs motioned to accept Operator’s Report for July 2020. The motion was seconded by Director Rife and motion carried by unanimous vote.

1. **Manager’s Report on the Parks, Pool and Recreational Facilities**

Mr. Chance presented the Manager’s report on the following matters: **1.)** acknowledgement that the District has made it through another milestone since the District formation of July 15th 1964;

**2.)** MK Painting has begun working on the elevated storage tank; **3.)** Issues found during the reinstallation of Well No. 4 as noted online item 15 within these minutes; 4 District revenue loss relating to the Covid Virus **4.)** Mr. Kurzy is compiling map books to facilitate the system evaluation testing on the water valve repairs.

On other matters, Mr. Sturm was present to answer questions on the mechanics of repairing or replacement of the District water valves that currently serves 28 miles of water line that have been in the ground for the last 56 years. Due to the unknown of the condition of the valves and a time line that it will take, it was suggested to complete a section of the valves hoping to provide information of what the project will entail. Upon board consideration on the matter, it was determined to do the repairs as mentioned and postpone any decisions on the matter until the July 28 Special Meeting by which time it can be determined the number of valves and it also be determined a more precise time frame for the project. No other discussion was had on the matter.

On another matter, a report was presented for Board review on the number of accounts that currently carry an outstanding balance beyond 90 days since the Covid-19 epidemic came into effect. The board was advised that there has been no response from some of the residential accounts during the routine collection process and therefore unable to determine the actual nature of the delinquency and therefore It was requested that a policy to be put in place on collecting on past due accounts since the mandate has been lifted. Upon board discussion and consideration, Director Rife motioned that was had that since the mandate of not shutting off water utilities is no longer in effect, 1.) effective with the August 15 billing all delinquent accounts are to be contacted for payment or arrangement that will bring down the balance below the deposit amount on account. 2.) If unable to make any type of payment at this time the resident is to sign a Promissory Note that will be in effect until the account is made current. Otherwise the water utilities are to be shut off until contact from the resident has been made and payment arrangement are put in place. 3.) beginning with the August 15 billing, late fees are to be assessed. The motion was seconded by Director Loring and motion carried by unanimous vote.

1. **Discuss Trash Service Renewal**

Discussion was had regarding solicitation for trash service for the District once the agreement with Waste Management expires. The matter was postponed until the July 28 Special Meeting.

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1. **Control room Building / Garage Modifications**

Mr. Chance gave discussion regarding drawings that were prepared to add an additional room adjacent to the garage building that will serve as a climate controlled room to accommodate the computer server and extra room that will hold historical files for the District. Upon Board consideration, Director Jacobs motioned for Mr. Chance to go out for proposals for the job and to proceed with the construction of the project. The motion was seconded by Director Young and carried by unanimous vote.

1. **SJRA and Lone Star Conservation District Update**

Mr. Chance advised that the SJRA and Lone Star Conservation District has approved a plan that will reduce the aquifer capacity down by 30% making our current water resources much less than what the aquifers can hold at this time. He further advised that the final approval for the plan is pending on Region H‘s acceptance. Mr. Chance requested that citizens make an effort to give their input to help to protect future water reserves. No other discussion was had on the matter.

1. **District Wells Reports on the Status of the Well Repairs**

Mr. Chance reported that Well No. 4 is not ready to put back on line at this time due to the bearings ceasing up and, the well is producing excessive amounts of Methane Gas which also causes the water meter to register inaccurate. Weisinger is continuing to locate the cause of the abundant amount of gas and a come up with a solution for the problem. No other discussion was had on the matter.

1. **Directors’ Report to Update the Board of Directors on Issues Related to the District**

Nothing was discussed at this time.

1. **Test Results from Water Samples**

Discussion was had on the procedures for lab testing on District water samples and the criteria required for the results. It was noted that the results on the District water samples has shown very good results. No other discussion was had.

1. **District Budget Review**

The matter was tabled until the August 18 board meeting. No other discussion as had.

1. **Rate Order Adjustments and Revisions**

Mr. Chance gave a scenario on amounts that will possibly pertain to a rate increase for residential water usage. The matter was tabled until the August 18 board meeting. No other discussion was.

1. **Recreational Facilities Report on the Parks, 2020 Pool Season and Park Bathrooms and Safety Swim Lessons**

Mr. Hughes reported that the pool will be closed during the weekdays effective August 12th and open only on the weekends through Labor Day weekend prior to the pool closing for the season. No other discussion was had at this time.

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1. **Discussion on state Regulations, Compliancy, and IT Matters**

Mr. Galan gave a report on the following matters: **1.)** the website is being continuously updated and doing well; **2.)** compliancy on government regulations for cyber security are being following as mandated; **3.)** rulings for video conferencing are being followed; **4.)** the computer server cooling system failed causing damage to some of the equipment stored in the cooling container. He noted that the box was rewired to alleviate future power failure and advised that the cooling unit itself will not be required once the expansion storage is completed.

1. **District Equipment Acquisitions, Repairs or Equipment Disposal**

Nothing was discussed at this time.

1. **TML Health Insurance Renewal**

The annual renewal for employee health insurance was discussed due to an increase in costs. It was advised that the TML Risk Pool Policy offered a substantial discount for the 2020-2021 rate. Being that the rates will be reduced, it was agreed by the board members to renew the insurance plan with TML. No other discussion was had at this time.

1. **Personnel Matters**

Nothing was discussed at this time.

There being no other items to discuss, the Chair entertained a motion for adjournment at 5:15 PM. Director Jacobs made the motion to adjourn, seconded by Director Rife and motion carried.

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 Wayne Stringer, President / Board of Director

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**Commitments for Action:**

Mr. Mike Kurzy **–** Strategic Plan / Capital Analysis Report

Jackie Chance – Rate Increase

Michael Cole – Agreement Revision British Private School