



The Board of Directors of New Caney Municipal Utility District of Montgomery County, held a Regular Meeting, open to the public, June 16th, 2022, at 6:00 p.m., and the roll was called of the duly constituted officers to wit:

**BILL SMITH-PRESIDENT
JERRY VERNON-VICE PRESIDENT
TONY MARTINEZ JR.-SECRETARY
MATT PETERSON-ASST. SECRETARY/TREASURER
DOROTHY RAWLINSON-ASSISTANT SECRETARY/ASSISTANT TREASURER**

Thus, constituting a quorum.

Also, present: Ricky McDonald-General Manager, Lisa Latham- Office Manager, Cory DeSpain-Asst. General Manager, Jackie Orrick – Office Assistant, Zach Petrov with Johnson Petrov LLP, Bill Blich – Financial Advisor, Kevin Arnet and Jay Norris – LJA Engineering

APPROVAL OF THE MINUTES

A motion was made by Jerry Vernon and seconded by Tony Martinez to approve the minutes for May 18th Regular meeting. All voted for. Motion carried.

CITIZEN'S PRESENTATIONS

No Citizens present.

Old Business

Approve uncollectible accounts

A motion was made by Jerry Vernon and seconded by Matt Peterson to approve uncollectible accounts in the amount of \$1946.56 for May 2022. All voted for. Motion carried.

Discuss Possible Acquisition of Easements and Approve any Necessary Action to be taken, including approval of Orders Declaring a Public Necessity and Authorizing the Institution of Condemnation Proceedings.

Page 2
Minutes
June 16th, 2022

Jay Norris updated board that we are waiting on the last parcel for the project on Gabriel Road, the lender is expected to pick up a check today and is expected to be completed next week. The project along Espinoza is waiting on surveys that are pending. Ricky McDonald stated that the surveyors are actively working on processing the surveys.

Recess at 6:05pm
Re-open at 6:45pm

New Business

Discuss and Approve Estimate #7 (E208-0380) for the Renovations to Water Plant No. 1 for Gemini Contracting Services in the amount of \$225,506.25.

Ricky McDonald updated the board that the requested extension is for four days. They are currently forming the driveway and the building is painted, electrician is pulling wire, and piping is done. The biggest projects left are the driveway and fencing.

A motion was made by Tony Martinez and seconded by Dorothy Rawlinson to approve Estimate #7 for the Renovations to Water Plant No. 1 for Gemini Contracting Services in the amount of \$225,506.25. All voted for. Motion carried.

Discuss and Approve Estimate #6 (E208-041A & 0450) for the Waterline Extension Along FM 1485 East and Keith Drive / Laura Lane project for Reddico in the amount of \$193,967.20.

Ricky McDonald stated that this project is essentially done, just waiting on a final walk-through with the inspectors and LJA will be scheduling that soon.

A motion was made by Matthew Peterson and seconded by Tony Martinez to approve Estimate #6 (E208-041A & 0450) for the Waterline Extension Along FM 1485 East and Keith Drive/Laura Lane project to Reddico in the amount of \$193,967.20. All voted for. Motion carried.

Change Order No. 3: E208-041A/0450 Waterline Extension Along FM 1485 East & Keith Drive / Laura Lane

Ricky McDonald stated that this change orders goes with the one presented last month for Kent Drive. We must put casing under county roads and even though the casing was completed, there was no pay item on the pay estimate. Per Jimmy, he suggested we submit a change order for more accurate tracking.

Discuss and Approve Waterline Extension 1485 and Keith Drive/Laura Lane for \$20,400 and 0 days.

A motion was made by Ricky Vernon and seconded by Matthew Peterson to approve the waterline extension along 1485 at East and Keith Drive/Laura Lane for \$20,400 and 0 days. All voted for. Motion carried.

Discuss and Approve Estimate #2 for (E208-0490) for District Wide Water Meter System Upgrades in the amount of \$247,565.25.

Ricky stated that this job comes with 0 day extension and once the meters were in, the project moved quickly. Per Cory DeSpain, over 1,056 meters have been changed so far with an estimated number of 4,000 meters total.

A motion was made by Matthew Peterson and seconded by Dorothy Rawlinson to approve Estimate #2 for (E208-0490) for District Wide Water Meter System Upgrades in the amount of \$247,565.25 to Accurate Utility Supply. All voted for. Motion carried.

Discuss and amend the 2022/2023 Budget and approve any necessary action to be taken.

Executive Discussion

A motion was made by Matthew Peterson and seconded by Tony Martinez to approve and amend any necessary actions to the 2022/2023 Budget. All voted for. Motion carried.

Order Adopting Preliminary Official Statement, Approving Notice of Sale and Authorizing Distribution Thereof related to Unlimited Tax Bonds, Series 2022.

Bill Blitch explained that while a lot of the documentation pertains to New Caney Mud, it is specific to the Hendrick's development and defined area where we are reimbursing Wal-Mart for the funds they expended (Item H). This is in progress, and we need comments from the

developer to tie up the loose ends. Bill is hoping to have this in a couple of weeks for bond sale and will have an update at our next Regular Meeting and no immediate attention is needed.

A motion was made by Dorothy Rawlinson and seconded by Tony Martinez to approve Notice of Sale Authorizing Distribution There of related to Unlimited Tax Bonds, Series 2022. All voted for. Motion carried.

Discuss and take action on amended Resolution Authorizing Bond Application to TCEQ.

Zachary Petrov explained that this is defined to the Hendricks area as well. TCEQ said that they completed their review and all is good except one item and Zachary has added that to Section as TCEQ would like specified. Once they see the revision, they will issue the draft approval within a few days and we can continue from there.

A motion was made by Dorothy Rawlinson and seconded by Tony Martinez to authorize the Bond Application to TCEQ. All voted for. Motion carried.

Discuss and approve Order Adopting Preliminary Official Statement; Approving Notice of Sale and authorizing distribution thereof related to Hendricks Defined Area – Unlimited Tax Bonds, Series 2022.

A motion was made by Dorothy Rawlinson and seconded by Tony Martinez to approve Order Adopting Preliminary Official Statement; Approving Notice of Sale and authorizing distribution thereof related to Hendricks Defined Area- Unlimited Tax Bonds. All voted for. Motion carried.

Discuss potential Bond Election

Zachary Petrov asked Lisa Latham to include this on July's Regular Meeting agenda to discuss our next steps on Bond Election. Bill Smith asked if we are in good enough shape to be able to postpone this until May 2023 and Bill Blich answered that we can wait until next year to discuss this at that time. The last day to call for Bond Election is the middle of August and Zachary wanted everyone to keep that in mind as we are vastly approaching that time.

Bill Smith stated that we need to have this discussion again in January of 2023.

Engineer's Report

Ricky McDonald (for Jimmy's absence) updated the board on all projects.

Attorney's Report

Zachary Petrov discussed acquiring the previously discussed 30-foot area that has an unknown owner adjacent to the new water plant. Ricky stated the district may need it for access to separate access from the water office as well as run lines to connect to and use the space for sanitary control easement. Jimmy is drafting reasons why it is valuable to the district. Per Zachary, there are two ways to acquire this area which is to foreclose for delinquent taxes or condemn the area as a necessity. Zachary suggested starting with an appraisal to determine which direction to move forward in.

Ricky Vernon requested that we add this to the next month's (July 2022) meeting agenda.

Financial Advisor's Report

Bill Blitch had nothing more to add.

Tax Assessor/Collector's Report

Bill Smith updated board that we collected \$37,803 (*38:15) last month.

Discussed packet that needs to be completed and returned before July 1st regarding taxes – Lisa Latham confirmed that she is currently working on this report alongside Bill Blitch.

Bookkeeper's Report

Bill Smith had nothing in addition to report.

Safety Report

Ricky McDonald reported no accidents, and all is good.

General Manager's Report

Ricky McDonald announced that customers can now pay their bill online. A flyer will be sent with next month's bills to notify customers that this is now available to them.

A letter was read from Jan to the board members saying Thank You for allowing her to serve on the board for 36 years, her retirement party, and most of all, the love and support she received from everyone.

Ricky presented the idea to put in a 2,000-gallon fuel tank inside the fuel building at the Wastewater Plant for gasoline. Our fuel provider can save us 20-30 cents a gallon. We run around 1,000-1,500 gallons monthly. Per Lisa, our fuel bill has recently doubled. The potential savings comes to an estimated \$400 a month. Bill Smith suggested placing a security camera that faces the fuel tank as well as keeping a lock on the pump and building.

Board of Directors' Reports and/or Proposals

Dorothy Rawlinson stated that she decided to stay on the board until her replacement is found.

Jerry Vernon would like to condense the LJA packets presented to board members to a one page spread sheet. Per Ricky McDonald, Jimmy can condense the information easily.

Bill Smith reviewed the bank balances and the Water Loss report.

Approve Monthly Accounts Payable

A motion was made by Ricky Vernon and seconded by Dorothy Rawlinson to Approve the General Fund accounts payable in the amount of \$444,647.18. All voted for. Motion carried.

A motion was made by Ricky Vernon and seconded by Dorothy Rawlinson to Approve the Capitol Project accounts payable in the amount of \$862,357.44. All voted for. Motion carried.

A motion was made by Ricky Vernon and seconded by Dorothy Rawlinson to Approve the Debt Service accounts payable in the amount of \$5382.91. All voted for. Motion carried.

Adjournment

A motion was made by Dorothy Rawlinson and seconded by Matthew Peterson to adjourn the meeting. All voted for. Motion carried.

Meeting adjourned at 8:01 p.m.

Page 7
Minutes
May 18, 2022

Respectfully,

Tony a martinez

Tony Martinez