

## GREENWOOD UTILITY DISTRICT

### MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 21, 2018

The Board of Directors (the "Board" or "Directors") of Greenwood Utility District (the "District") met in regular session, at 6:30 p.m., at 11702A Tidwell Road, Houston, Texas 77044, on Wednesday, March 21, 2018, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Billy O'Neill	President
Gary Flight	Vice President
J. Dean Tankersley	Secretary
Robert L. Primeaux	Assistant Secretary
John Wisener	Director

All members of the Board were present. Also attending were Mary Ann Mihills of FSG Information Systems ("Bookkeeper" or "FSG"); Esther Shaver of Assessments of the Southwest ("Tax Assessor/Collector"); James R. Ainsworth and Ronald D. Anderson II of A&S Engineers, Inc. ("Engineer" or "A&S"); Johnny Bellamy of Municipal District Services ("Operator" or "MDS"); Bill Blich of Blich Associates, Inc. ("Financial Advisor"); Shane Stuckey of Stuckey's Contract Services; Mark Janik of Gromax Development; Gary Syzek of Systems Project Management; Ross J. Radcliffe and Elliot M. Barner, attorneys, and Diane F. Brewer, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached Attendance Roster.

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may regularly come before it.

#### PUBLIC COMMENT

The President opened the meeting to public comment.

- a. Mr. Bellamy introduced Bao Nguyen, an out-of-District customer, regarding Mr. Nguyen's request for an adjustment on his water bill. Mr. Bellamy reported that the account serves two (2) shopping centers. Discussion ensued regarding repairs to the private line at one of the shopping centers. The Board recommended that Mr. Nguyen speak with the plumber that repaired the private lines at one of the shopping centers. Mr. Bellamy indicated that he would visit the property and meet with Mr. Nguyen.

Mr. Nguyen exited the meeting at this time.

As no further comments were offered, the President directed the Board to proceed with the agenda.

## MINUTES

The Board then considered approval of the minutes of the regular meeting of February 21, 2018. Upon a **motion** by Director Primeaux, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of February 21, 2018, as presented.

## ADMINISTRATIVE MATTERS

- a. Director Tankersley announced his resignation from the Greenwood Board and presented his letter of resignation, a copy of which is attached hereto as Exhibit "A." Upon a **motion** by Director Primeaux, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board accepted the resignation of Director Tankersley.

Director Tankersley exited the meeting at this time.

- b. Mr. Radcliffe then discussed the appointment of David Alamia as Director to complete the vacated term of Dean Tankersley ending May 2021. Mr. Radcliffe presented the Director Qualification Affidavit, a copy of which is attached as Exhibit "B," to Director Alamia, who executed same, thereby verifying his qualification to serve as a Director of the District. Mr. Radcliffe next presented Director Alamia with a sworn Statement of Elected/Appointed Officer, a copy of which is attached as Exhibit "C," as required by the Texas Constitution, which statement was then duly executed by Director Alamia. Mr. Radcliffe then proceeded to administer the Oath of Office to Director Alamia, a copy of which is attached as Exhibit "D."
- c. Mr. Radcliffe then asked the Board to elect a new secretary. Upon a **motion** by Director O'Neill, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board elected Director Wisener as secretary of the Board.

## BOOKKEEPER'S REPORT AND INVESTMENT REPORT

The Bookkeeper's Report and Investment Report, copies of which are attached hereto collectively as Exhibit "E," were next presented by Ms. Mihills. After a review of current fund balances, expenditures and investments, Ms. Mihills reviewed current year-to-date revenues and expenditures against the budget.

- a. Discussion first ensued regarding a payment to EMS Remodeling ("EMS") and Director O'Neill indicated that he would hold check number 7051 payable to EMS related to repairs to the District Administration Building.
- b. Mr. Mihills reported that she will place the Tidwell Lakes Wastewater Treatment Plant lease payment on hold.

- c. Ms. Mihills also reported that she will hold the check payable to McDonald & Wessendorff related to the insurance renewal of the joint facilities for policy term 2018-2019, subject to Parkway Utility District's approval.
- d. Ms. Mihills reported that the budget for the general operating fund for fiscal year ending December 31, 2018, will need to be amended next month to add Tidwell Lakes Wastewater Treatment Plant ("TLWWTP") lease payments.
- e. Next, a discussion ensued regarding the fees associated with the condemnation.
- f. Ms. Mihills reported that the District has nine (9) months operating reserve.

Upon a **motion** by Director Flight, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report and Investment Report, as presented, and acted on the following:

- a. authorized payment of checks numbered 7044 through 7091 from the General Fund;
- b. authorized payment of checks numbered 1004 through 1005 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2016 through 2028 from the Regional Sewage Treatment Plant Fund; and
- d. authorized payment of checks numbered 4009 through 4022 from the Surface Water Facilities Fund.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

The Tax Assessor-Collector's Report for February 2018 was next presented by Ms. Shaver, a copy of which is attached hereto as Exhibit "F."

- a. Ms. Shaver reported that 84.76% of the 2017 taxes have been collected as of February 28, 2018.
- b. Ms. Shaver next reviewed the Delinquent Tax Report, a copy of which is attached to her report. Ms. Shaver reported that the Operator will door tag the properties listed under Section II of such report and service will be terminated on March 27, 2018, if delinquent taxes are not paid in full.
- c. Ms. Shaver then presented the Delinquent Tax Roll, a copy of which is attached to her report.
- d. Discussion ensued regarding the David Brown tax suit.

Upon a **motion** by Director Primeaux, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report, as presented; authorized payment of checks numbered 1630 through 1636 from the Tax Account; and approved termination of delinquent tax accounts.

## STUCKEY'S CONTRACT SERVICES

Mr. Stuckey presented the 2018 - First Quarter Report, a copy of which is attached hereto as Exhibit "G."

- a. Mr. Stuckey first reported that the Bavaria Pond remains in great condition. Mr. Stuckey also reported that January and February were considerably wet months which affected mowing schedules, but noted that Bavaria has the best drainage due to the pilot channel. Mr. Stuckey next reported that crews were onsite this week to complete the spring overseed and fertilization. Mr. Stuckey went on to report that there was an extra stormwater quality ("SWQ") cleaning in February following a storm so the permit could be renewed.
- b. Mr. Stuckey reported that rainy weather had more of an effect on the west end of the Hidden Meadow Phase I Pond since Stuckey's normally track mows in regular conditions. Mr. Stuckey also reported that the pond is performing as expected and has good vegetation coverage closing out the winter.
- c. Next, Mr. Stuckey reported that the Hidden Meadow Phase II Pond has come a long way through all the construction and is in relatively good condition. Mr. Stuckey reported that Stuckey's has been working with A&S to have a few minor punch list items corrected by contractors. Mr. Stuckey reported that the Phase II pond had the most trash collected during the first quarter due to the SWQ cleanouts and noted that on the first cleanup in February, Stuckey's crews filled 27 trash bags with 60% coming from the Phase II pond. Mr. Stuckey added that a second cleanout was also required at the Phase II pond for the permit renewal to be accepted.
- d. Mr. Stuckey then reported that the Tidwell Regional Pond has been accepted and maintenance has begun. Mr. Stuckey indicated that the Tidwell Regional Pond is a smaller pond and there is less to inspect, but some of the tight turns make it more difficult to mow. Mr. Stuckey stated that overall, the pond is in good shape with a few areas that will have more vegetation fill in as the spring overseed and fertilization germinates and begins growing.
- e. Mr. Stuckey reported that his revised contract will be presented at the May Board meeting. Mr. Stuckey stated that the contract will reflect a name change because he and his brother are acquiring the business from their parents.
- f. In response to a question asked by Director Alamia regarding the Tidwell Reginal Basin, Mr. Stuckey stated that it was named by the developer and will serve properties at the intersection of Tidwell and C. E. King.

Mr. Stuckey and Ms. Shaver exited the meeting at this time.

## **JOINT FACILITIES REPORT**

The Joint Facilities Report was next presented by Mr. Anderson, a copy of which is attached hereto collectively as Exhibit "H."

### **1. Regional Wastewater Treatment Plant ("RWWTTP")**

- a. Mr. Anderson first reported that he is working with the Attorney regarding A&S' proposal for engineering services related to the RWWTTP Expansion to 1.45 MGD.
- b. Mr. Anderson next reported that the Wastewater Treatment Plant Screen Replacement Notice to Proceed was issued for March 19, 2018, and the contractor is in the submittal phase of construction.
- c. Mr. Anderson then reported that the Repair of the Erosion of Wastewater Treatment Plant Outfall with RAC Industries, Inc. ("RAC") Change Order No. 1 work is ongoing and the Harris County Flood Control District ("HCFCD") has been onsite while work has occurred.

### **2. Surface Water Transmission Facility ("SWTF")**

- a. Mr. Anderson had nothing new to report regarding the Surface Water Transmission Facility and inquired regarding the timeline. Mr. Barner stated that he will speak with the condemnation attorney and provide Mr. Anderson with an update.
- b. Mr. Anderson reported that Mr. Ainsworth has been communicating with Veronica Osegueda with the City of Houston (the "City") regarding the Districts' request for an increase in water demand.
- c. Concerning the Tidwell Road Expansion Project, Mr. Anderson reported that City will need an easement and a retaining wall be constructed. Discussion ensued regarding a sidewalk which is expected to stretch all the way to Beltway 8.
- d. Mr. Ainsworth discussed the Share Point website and reported that all joint projects and schedules can be found on such website.

## **ENGINEER'S REPORT**

The Engineer's Report was next presented by Mr. Anderson, a copy of which is attached hereto collectively as Exhibit "I."

1. **Tidwell Lakes (150 Acres).** Mr. Anderson reported no significant change during the past period.

2. **Hidden Meadow (180 Acres).** Mr. Anderson then reported that the work on the Hidden Meadow Pond Excavation and Mass Grading project with Double Oak Construction, Inc. ("Double Oak") is complete. Mr. Anderson requested the Board's concurrence to Double Oak's Pay Application No. 8 and Final in the amount of \$64,971.95 for the Hidden Meadow Detention Pond Excavation and Mass Grading project.
  - a. Mr. Anderson reported that work continues on the set of plans for Hidden Meadow, Sections 9 and 14.
  - b. Mr. Anderson next reported that the Hidden Meadow, Sections 10 and 12, WS&D work by C. E. Barker, Ltd. ("Barker") is ongoing. Mr. Anderson requested the Board's concurrence to Barker's Pay Application No. 4 in the amount of \$29,352.18 for Hidden Meadow, Sections 10 and 12, WS&D.
  - c. Mr. Anderson then reported that work continues on the set of plans for Hidden Meadow, Section 11.
  - d. Mr. Anderson reported no change during the past period regarding road acceptance issues.
3. **Bavaria.** Mr. Anderson reported no change during the past period regarding the detention pond.
4. **Evergreen.**
  - a. Mr. Anderson reported that work is ongoing at the Evergreen Villas, Section 2, WS&D.
  - b. Mr. Anderson next reported that work is ongoing at Evergreen Villas, Section 3 and East Little York Road WS&D with Principal Services, Ltd. ("Principal"). Mr. Anderson requested the Board's concurrence to Principal's Pay Application No. 4 in the amount of \$51,651.50 for Evergreen Villas, Section 3 and East Little York Road WS&D.
5. **Facility and Utility Projects.**
  - a. **Water Plant No. 1 ("WP No. 1").** Mr. Anderson reported no changes during the past period and that CFG Industries, LLC ("CFG") is expected to be onsite on Monday, March 26, 2018. Mr. Anderson also reported that Rehabilitation of GST No. 2 project at WP No. 1 is ongoing. Mr. Anderson added that CFG has been directed to proceed with removal and backfill of the subgrade as per the geotechnical engineer's recommendation.
  - b. **Tidwell Lakes Force Main.** Mr. Anderson then reported that work continues on the Tidwell Lakes Force Main submittal process for County approval and easement acquisition across the HCFCD. Mr. Anderson requested authorization to advertise the Tidwell Lakes Force Main Project.

6. **Out-of-District Service.** Mr. Anderson had nothing new to report.
7. **Miscellaneous Engineering Projects and Requests for Service**
  - a. Series 2018 Bond Application Report. Mr. Anderson reported that work and coordination with the developers, Attorney and Final Advisor continues.
  - b. Emergency Preparedness Plan ("EPP"). Mr. Anderson reported that A&S is reviewing the EPP and will inform the Board of necessary changes.
  - c. Feasibility Study. Mr. Anderson then presented the Hypercity Investments Feasibility Study, a copy of which is attached to the Engineer's Report, and reviewed same with the Board. Mr. Anderson reported there are no reimbursable expenses associated with the proposed development.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Joint Facilities Report and the Engineer's Report, as presented, and acted on the following:

- a. concurred with Double Oak Pay Application No. 8 and Final in the amount of \$64,971.95 for the Hidden Meadow Detention Pond Excavation and Mass Grading;
- b. concurred with Barker's Pay Application No. 4 in the amount of \$29,352.18 for Hidden Meadow, Sections 10 and 12, WS&D;
- c. concurred with Principal's Pay Application No. 4 in the amount of \$51,651.50 for Evergreen Villas, Section 3, and East Little York Road WS&D;
- d. authorized A&S to advertise the Tidwell Lake Force Main Project; and
- e. authorized A&S to complete and release the Feasibility Study to Hypercity Investments.

Mr. Blich and Director Flight exited the meeting at this time.

### **OPERATOR'S REPORT**

The Operator's Report was next presented by Mr. Bellamy, a copy of which is attached hereto as Exhibit "J."

- a. Mr. Bellamy first presented three (3) letters from District customers at 19903 Island Song, 12531 Meadow Frost Lane and 10019 Cobbs Cove Land requesting relief related to high usage water bills. It was the consensus of the Board to offer the District customers a payment plan and adjust the sewer charges, subject to proof of a leak.
- b. Mr. Bellamy reported that the District currently has 2,309 connections.
- c. Mr. Bellamy reported that the District has accounted for 90.6% of the water pumped by billing to the District's customers during the prior month.

- d. Mr. Bellamy reported that the percent of design capacity at the WWTP during the prior month was 100.4% due to a heavy rainfall event and there was one (1) excursion at the WWTP because of flow.
- e. Mr. Bellamy reported that a total of 44 taps have been installed to-date in 2018.
- f. Mr. Bellamy presented the Preventative Maintenance Summary, a copy of which is attached to the Operator's Report.
- g. Mr. Bellamy presented the Write-Off List dated February 27, 2018, a copy of which is attached to his report, and reported seven (7) accounts totaling \$1,459.14.
- h. Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due March 21, 2018, is attached to his report.
- i. Mr. Bellamy reported that also attached to his report is the Identity Theft Prevention Program Annual Review and stated that the District has had no issues related to this matter other than a general recommendation that the District discontinue the availability of an unprotected drop box.
- j. Mr. Bellamy discussed the Bao Nguyen account and stated that he will meet with Mr. Nguyen tomorrow and report back to the Board.

Upon a **motion** by Director Wisener, seconded by Director Primeaux, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, and acted on the following:

- a. authorized the Operator to offer a payment plan and adjust the sewer charges, subject to proof of a leak, to the customers at 19903 Island Song, 12531 Meadow Frost Lane and 10019 Cobbs Cove Land;
- b. authorized write-offs and terminations; and
- c. approved the Identity Theft Prevention Program Annual Review, as presented.

### **ATTORNEY'S REPORT**

Next, the Board discussed renewal of the District's insurance policy with McDonald & Wessendorff Insurance ("McDonald"), a copy of which is attached hereto as Exhibit "K." Upon a **motion** by Director O'Neill, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board agreed to renew the policy with McDonald, subject to Parkway's approval of insurance for the joint facilities.

Ms. Mihills and Mr. Janik exited the meeting at this time.




**MAY 5, 2018 OPERATIONS AND MAINTENANCE ("O&M") TAX ELECTION**

Mr. Radcliffe discussed the benefits of an O&M tax and asked the Board about scheduling town hall meetings. Mr. Barner talked about providing information to District property owners regarding the O&M Tax Election. Discussion ensued, including inserting a flier with water bills. The Board members were encouraged to speak with their neighbors about the O&M Tax Election. It was the consensus of the Board to prepare fliers for distribution to homeowners in the District and not hold any town hall meetings.

**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD**, the meeting was adjourned.

**SIGNED, PASSED and APPROVED** this the 18th day of April, 2018.



Secretary, Board of Directors

**EXHIBITS:**

- A - Letter of Resignation
- B - Director Qualification Affidavit
- C - Statement of Elected/Appointed Officer
- D - Oath of Office
- E - Bookkeeper's Report and Investment Report
- F - Tax Assessor-Collector Report
- G - Stuckey's 2018 - First Quarter Report
- H - Joint Facility Report
- I - Engineer's Report/Correspondence Items
- J - Operator's Report
- K - Insurance Renewal Proposal