

# GREENWOOD UTILITY DISTRICT

## MINUTES OF MEETING OF BOARD OF DIRECTORS

JULY 18, 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, July 18, 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
John Wisener	Secretary
Robert L. Primeaux	Assistant Secretary
David Alamia	Director

All members of the Board were present. Also attending were Katherine Turner and Anthony Lasky of Municipal Accounts & Consulting L.P. ("Bookkeeper" or "MAC"); 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"); Allen DeJonge of Off Cinco; Shane Stuckey of Stuckey's Contract Services ("Stuckey's"); Ross J. Radcliffe, attorney, 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. Director Alamia introduced members of the public from his subdivision to the Board. As no 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 June 20, 2018. Upon a **motion** by Director Wisener, seconded by Director Primeaux, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of June 20, 2018, as presented.

## **WEBSITE REPORT**

Mr. DeJonge discussed items needed for the District's website. Mr. Radcliffe suggested creating a website committee and Director Alamia indicated that he is interested in serving on the committee. Mr. Radcliffe next discussed asking District residents to serve on the committee, including Tidwell Lakes residents, to determine what information the District's residents would like to see on the website.

Mr. DeJonge asked when the Board wants the website to go live. Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board authorized Off Cinco to go live with the website, subject to approval of the Attorney and Director Alamia.

Mr. DeJonge asked if the Board wants a consumption report published on the website and Ms. Turner stated that she will provide Off Cinco with the consumption report on a monthly basis.

## **FINANCIAL ADVISOR'S REPORT**

### **Series 2018 Refunding Bonds**

Mr. Blich updated the Board regarding the District's Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds, Series 2018 (the "Refunding Bonds"). Mr. Blich stated that the present value savings of the Refunding Bonds is six percent (6%). Mr. Blich stated that the Refunding Bonds will close on July 31, 2018.

### **Residential Water Rate Study**

Mr. Blich presented the General Fund History and Residential Water Rate Study—2018, copies of which are attached hereto collectively as Exhibit "A."

Mr. Blich discussed the need to increase rates and recommended a small water rate increase each year. Director Alamia questioned the rate increase in lieu of the failed Operations and Maintenance Tax Election. Director Alamia also questioned the Residential Water Rate Study because of inaccurate general fund history and inconsistent current rate fees in the report. It was the consensus of the Board to table approval of the Rate Order amendment until the August meeting to allow Mr. Blich to make corrections to the Residential Water Rate Study. Discussion ensued regarding tap fee revenue and maintaining one (1) year operating reserves. Mr. Radcliffe discussed the benefit of an operations and maintenance tax. Mr. Anderson discussed tap fees and the Tidwell Lakes Force Main Project. Mr. Anderson also discussed future commercial development in the District.

## **STUCKEY'S CONTRACT SERVICES**

Mr. Stuckey presented the Second Quarterly Report, a copy of which is attached hereto as Exhibit "B." and reported that recent rainfall events have slowed down mowing of the detention ponds, but Stuckey's is getting back on schedule.

Regarding the Bavaria pond, Mr. Stuckey reported that the slope of pond is performing satisfactorily and due to the recent rainfall, the vegetation is thick and thriving. Mr. Stuckey reported regarding excessive trash within the pond area that will have to be removed. Mr. Stuckey added that some new silt has accumulated in the concrete pilot channel and should be removed in the near future. Mr. Stuckey also reported that the Harris County Flood Control District ("HCFCD") continues installing new backslope swale structures along the parallel channel.

Mr. Stuckey reported that he is working with the Engineer on the ponds to be taken over and maintained by the District.

Next, Mr. Stuckey reported that erecting new no trespassing signs at the Hidden Meadow Phase II Pond has been delayed.

Director Alamia inquired regarding the detention pond at the mobile home park and Mr. Anderson stated that the pond is privately owned.

Mr. Stuckey indicated that he will meet with Director O'Neill in the near future to tour the ponds.

Discussion ensued regarding the Tidwell Lakes detention ponds and work that needs to be completed. Mr. Stuckey stated that the Tidwell Lakes detention ponds need to be mowed down to determine what needs to be done. Mr. Anderson reminded the Board that the Tidwell Lake detention ponds were part of the first Tidwell Lakes annexation.

Mr. Stuckey exited the meeting at this time.

### **BOOKKEEPER'S REPORT AND INVESTMENT REPORT**

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

Mr. Radcliffe presented a Depository Pledge Agreement with Compass Bank and the Federal Home Loan Bank of Atlanta, a copy of which is attached hereto as Exhibit "D."

Upon a **motion** by Director Wisener, seconded by Director Primeaux, 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 7237 through 7273 from the General Fund;
- b. authorized payment of checks numbered 1014 through 1015 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2065 through 2081 from the Regional Sewage Treatment Plant Fund;

- d. authorized payment of checks numbered 4041 through 4049 from the Surface Water Facilities Fund; and
- e. approved the Depository Pledge Agreement with Compass Bank.

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

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

Ms. Shaver reported that 97.13% of the 2017 taxes have been collected as of June 30, 2018.

Ms. Shaver next reported that a twenty percent (20%) penalty due on all real property tax accounts delinquent for the tax year 2017 will incur additional penalties beginning July 1, 2018.

Ms. Shaver then reported that an email from the Harris County Appraisal District indicates that certified values are expected on August 3, 2018, and rolls will be ready the week of August 13, 2018.

Ms. Shaver presented the Delinquent Tax Roll, a copy of which is attached to her report.

Upon a **motion** by Director Flight, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector's Report, as presented; and authorized payment of checks numbered 1672 through 1678 from the Tax Account.

### **ENGINEER'S REPORT**

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

#### **Hidden Meadow (180 Acres)**

Mr. Anderson first presented a Projected Residential Tap Fees Remaining letter, a copy of which is attached to the Engineer's Report, and stated that an estimated \$435,000 in tap fees remain between Hidden Meadow and Evergreen in the coming few years.

Mr. Anderson reported that A&S is working with Harris County (the "County") staff to create a pathway for street acceptance relating to Hidden Meadow, Sections 6, 13 and 15. Mr. Anderson also reported that cooperation of Century Development regarding the existing road surety for each of the three (3) sections is necessary. Mr. Anderson added that the goal is to have the agreement of all parties by the August Board meeting.

## **Evergreen**

Mr. Anderson reported that work is ongoing at the Evergreen Villas, Section 2, WS&D with C. E. Baker, Ltd.

Mr. Anderson next reported that work is ongoing at Evergreen Villas, Section 3, and East Little York Road WS&D with Principal Services, Ltd.

Ms. Shaver exited the meeting at this time,

## **Tidwell Lakes (150 Acres)**

Mr. Ainsworth reported that A&S has met on site on two (2) occasions. Mr. Ainsworth also reported that MDS conducted a safety audit on July 6, 2018, and A&S is reviewing the list. Mr. Ainsworth went on the report that A&S met with the structural engineer on July 12, 2018, at the request of MDS, to evaluate and identify any structural issues with the Tidwell Lakes facility. Mr. Ainsworth indicated that the facility is structurally sound, but additional stair support and grading on the walkways is needed. Discussion ensued regarding signage. Mr. Ainsworth next reported that Eli Sasson has made minor progress on all-weather access to the Tidwell Lakes Wastewater Treatment Plant via public streets. Mr. Ainsworth added that the work remains incomplete and Mr. Sasson has removed the reinforcing steel to facilitate remixing of the line stabilized subgrade.

Director Alamia inquired about the benefit of the Tidwell Lakes annexation. Mr. Ainsworth responded that the District will benefit from tap revenue. Mr. Ainsworth discussed the pre-purchase inspection prior to releasing reimbursement bond funds.

Regarding the second Tidwell Lakes annexation, Mr. Ainsworth reported that the Attorney has forwarded documents to Mr. Sasson for execution.

Mr. Ainsworth then reported that the TPDES permit was renewed in the name of Tidwell Wastewater Utilities and it runs through December 1, 2022. Mr. Ainsworth reported that A&S will address transfer of the permit concurrent with the facility transfer when a firm date for the transfer is established.

## **Facility and Utility Projects**

Water Plant No. 1 ("WP No. 1"). Mr. Anderson next reported that recoating of WP No. 1 Ground Storage Tank No. 1 should move forward in approximately 30 to 60 days.

Rehabilitation of Ground Storage Tank No. 2 at Water Plant No. 1. Mr. Anderson reported that work continues on Rehabilitation of Ground Storage Tank No. 2 at Water Plant No. 1.

Tidwell Lakes Force Main. Mr. Anderson then reported that the easement was signed and authorized by Commissioner's Court and a pre-construction meeting is scheduled for July 20, 2018.

## **Out-of-District Service**

Mr. Ainsworth reported that a request for service was received for a 25-acre tract located north of the Little York Road extension and reported that a warehouse facility will be constructed on such tract. Mr. Ainsworth stated that the developer will have to dedicate a right-of-way on Little York Road.

Mr. Ainsworth also reported that he received a request for service for an apartment project.

### **Miscellaneous Engineering Projects and Requests for Service**

The Vireo. Mr. Anderson reported that The Vireo's engineer previously requested revisions to and reappraisal of the capacity letter. Mr. Anderson also reported that the City of Houston (the "City") water contract revision is in progress which is expected in approximately 30 days. The Vireo's developer is aware that a water supply payment will be required.

Tidwell Road Widening Project. Mr. Anderson reported that A&S continues to work with the County on the expansion project, including driveway access, fencing modifications and meter easement.

Mr. Anderson reported that the Texas Commission on Environmental Quality ("TCEQ") has declared the Bond Application Report in the amount of \$7,920,000 administratively complete. Mr. Anderson also reported that a pre-purchase inspection has been scheduled.

Mr. Radcliffe discussed the Series 2019 Bond Application Report.

### **JOINT FACILITIES REPORT**

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

### **Proposed Parkway/Greenwood Joint Facilities Agreement**

Mr. Anderson reported that capacity for Phase I of the Wastewater Treatment Plant ("WWTP") needs to be modified to include additional connections for Parkway Utility District ("Parkway"). Mr. Anderson added that discussions with Parkway are required to decide on the total connections to be included. Discussion ensued regarding an amendment to the previous capacity lease agreement of the existing WWTP. Mr. Anderson indicated that he expects to have more information in three (3) to four (4) weeks. Mr. Radcliffe discussed the lease agreement and that commitment of the capacity is needed through the third (3<sup>rd</sup>) quarter. Discussion ensued regarding payment of capacity through the third quarter. Mr. Radcliffe stated that the District needs to determine the reasonable cost of water. Mr. Bellamy indicated that he will work on the amount currently used.

### **Outfall Repair Project**

Mr. Anderson reported that the disturbed area was reseeded for the third (3<sup>rd</sup>) time to establish vegetation. Mr. Anderson also reported that there is no improvement at this time and A&S will continue to monitor the situation. Mr. Anderson went on to report that A&S awaits establishment of vegetation before scheduling an acceptance meeting with the HCFCF.

### **Fine Screen Installation**

Mr. Anderson discussed the fine screen and reported that start-up training will be held in the coming weeks.

### **WWTP Design**

Mr. Anderson next discussed the status of WWTP design and noted that the design schedule will be affected by the change in Phase I capacity requirements. Mr. Anderson stated that once capacity of Phase I is confirmed, a revised schedule and cost estimate will be presented. Mr. Anderson reported that the TPDES WWTP discharge permit will be required to be amended to account for the modification of the intermediate phase of the existing permit. Mr. Anderson added that the minor amendment process has commenced and the application to the TCEQ will be submitted once the required calculations are completed.

### **Wetlands Report**

Mr. Anderson presented a proposal from Wetlands Professional Services to evaluate the wetlands and water of the United States and the ordinary high water mark, a copy of which is attached hereto as Exhibit "H." Mr. Anderson reported that additional drainage items were discovered and management of the identified poorly drained areas is proposed to be coordinated with Wetlands Professional Services. Mr. Anderson stated that costs will be directly billed to the District and Parkway and split as per the final Joint WWTP Agreement.

Upon a **motion** by Director Alamia, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the Wetlands Professional Services proposal.

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

Mr. Anderson reported that Mr. Bellamy presented a request to the Harris-Galveston Subsidence District ("HGSD") to waive the disincentive fees incurred by the District and Parkway during the time when the SWTF was out of service due to Hurricane Harvey. Mr. Anderson went on to report that the presentation was met with alternative demand for the District and Parkway to use groundwater credits. Mr. Anderson expects final staff recommendation in August 2018.

Next, Mr. Anderson reported that the City's response to the District's request for an increase in surface water for end of year 2018 and end of year 2022 was received. Discussion ensued regarding the payment of impact fees and upgrade of the transmission line. Mr. Anderson stated that payment of impact fees is due by the end of 2018. Mr. Radcliffe stated that WWTP construction costs and the City's water impact fees will be included in the District's and Parkway's upcoming bond issues. Mr. Ainsworth reported that he will meet with the County and City on Tuesday, July 24, 2018. Mr. Radcliffe discussed issuing Bond Anticipation Notes to fund the impact fee and closing by the end of 2018.

Mr. Anderson requested the Board's authorization to commence the Bond Application Report.

## **Sheldon Independent School District ("SISD")**

Mr. Anderson presented correspondence to the County regarding the SISD surface water transmission line, a copy of which is attached to the Engineer's Report, and reviewed same with the Board.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and Joint Facilities Report, as presented, and authorized the Engineer to commence preparation of the Bond Application Report.

Mr. Blich exited the meeting at this time.

## **OPERATOR'S REPORT**

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

Mr. Bellamy first reported that the District currently has 2,468 connections.

Mr. Bellamy reported that the District has accounted for 98.4% of the water pumped by billing to the District's customers during the prior month.

Mr. Bellamy reported that the percent of design capacity at the WWTP during the prior month was 98.7% and there were no excursions at the WWTP.

Mr. Bellamy reported that he will present the estimated cost of groundwater owed by Parkway at the August Board meeting.

Mr. Bellamy reported that a total of 44 taps have been installed during the prior month and a total of 298 taps have been installed to-date in 2018.

Mr. Bellamy presented the Preventative Maintenance Summary, a copy of which is attached to the Operator's Report.

Mr. Bellamy presented the Write-Off List dated June 26, 2018, a copy of which is attached to his report, and reported four (4) accounts totaling \$1,494.55.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due July 18, 2018, is attached to his report.

Director Alamia discussed a fire hydrant damaged by a Constable's SUV in Hidden Meadow.

Mr. Anderson discussed a sinkhole around the storm sewer manhole in the Parkway private storm sewer line. It was noted that this is not a District facility, but stated that it is a safety issue. Mr. Bellamy indicated that he would attempt to contact Paul Latour, the owner of the property, and will follow-up with a letter.




Upon a **motion** by Director Wisener, seconded by Director Primeaux, after full discussion and with all Directors present voting aye, the Board: 1) approved the Operator's Report, as presented; 2) authorized write-offs and terminations; and 3) and authorized preparation of a letter to Paul Latour regarding sinkhole safety issues.

### **ATTORNEY'S REPORT**

Mr. Radcliffe asked if the District would consider sponsoring 171 students at Carroll Elementary School with the HGSD Waterwise Program. Mr. Bellamy discussed the benefits to the District to participate in the Waterwise Program. Upon a **motion** by Director Alamia, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board approved the Interlocal Agreement, a copy of which is attached hereto as Exhibit "J."

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

**SIGNED, PASSED and APPROVED** this the 15th day of August, 2018.

  
Secretary, Board of Directors

### **EXHIBITS:**

- A - General Fund History and Residential Water Rate Study—2018
- B - Stuckey's Second Quarterly Report
- C - Bookkeeper's Report and Investment Report
- D - Depository Pledge Agreement
- E - Tax Assessor-Collector Report
- F - Engineer's Report/Correspondence Items
- G - Joint Facilities Report
- H - Wetlands Professional Services Proposal
- I - Operator's Report
- J - Interlocal Agreement