

GREENWOOD UTILITY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 15, 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, August 15, 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 Mary Ann Mihills 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"); Sergeant Terry Ganey of Harris County Constable's Office, Precinct No. 3 (the "Constable"); Mark Janik of Gromax Development; 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. 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 July 18, 2018. Upon a **motion** by Director Wisener, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of July 18, 2018, as presented.

PATROL SERVICE REPORT

Sergeant Ganey presented and reviewed with the Board the Patrol Service Report for July 2018, a copy of which is attached hereto as Exhibit "A."

Sergeant Ganey first discussed questions concerning crime watch meetings and reported that he monitors crime in the area, as well as neighboring communities. Sergeant Ganey next discussed criminal activity in the area, including motor vehicle burglaries, many of which had unlocked doors, and robbery of a gas station convenience store in the District. Sergeant Ganey stated that the numbers referenced in his report are not disproportionate. Discussion ensued regarding the number of citizens Sergeant Ganey had spoken to about locking car doors of motor vehicles that had been burglarized.

Director Alamia inquired regarding crime in neighboring subdivisions and if the Constable's Office prepares a report. Sergeant Ganey suggested Director Alamia compare the current report against previous reports. Sergeant Ganey stated that if he notices a spike in activity when preparing the Patrol Service Report, he will investigate such activity. Sergeant Ganey stated that he compares social media against the deputies' reports.

Sergeant Ganey stated that Precinct 3 deputies investigate probable cause activity. Sergeant Ganey reviewed what deputies can do versus what they cannot do when investigating criminal activity.

In response to a question, Sergeant Ganey stated that an increase in law enforcement officers in the District is needed. Sergeant Ganey discussed family violence and the time it takes deputies to investigate the matter and prepare reports. Mr. Radcliffe asked about the number of deputies in Parkway Utility District ("Parkway") and Sergeant Ganey responded that Parkway currently has four (4) deputies. It was noted that the District amended its Interlocal Agreement to increase the number of deputies to three (3) in 2016. Discussion ensued regarding growth in the area.

Next, discussion ensued regarding community involvement and the importance of the public's cooperation with law enforcement. Mr. Radcliffe discussed the need for an organization to sponsor a public safety forum, including schools and fire departments in the area. Mr. Radcliffe spoke about a similar forum in North Houston. Sergeant Ganey recommended scheduling a meeting where the community can meet the deputies that patrol the area. Director O'Neill recommended the involvement of local homeowners associations and talked about vandalism at Hidden Meadow Park.

The Board expressed their appreciation of Sergeant Ganey's work in the District. Sergeant Ganey indicated that he is willing to attend meetings with the public. Sergeant Ganey invited the Board to visit his office and he will share law enforcement reports on his computer since printing all of the reports would be too cumbersome to present at Board meetings.

At this time, Deputy Ganey exited the meeting.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

The Bookkeeper's Report and Investment Report, copies of which are attached hereto collectively as Exhibit "B," 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 inquired regarding Tidwell Lakes wastewater lease payments. Mr. Lasky responded that lease payments totaling \$216,000 have been withheld and explained the calculation of such lease payments.

Mr. Radcliffe reported that he has communicated with Eli Sasson about transferring the Tidwell Lakes facilities to the District. Mr. Radcliffe noted that Mr. Sasson will be out of the country in September. Mr. Bellamy discussed issues at the Tidwell Lakes facilities that need to be addressed. Mr. Bellamy also discussed aged receivables and the need for communications between Tidwell Lakes and the MDS billing department. Mr. Radcliffe recommended scheduling a special meeting on August 29, 2018, to approve the transfer of the Tidwell Lakes facilities and explained that it would be better to approve the transfer before the next regular meeting. Mr. Bellamy stated that Jalene Palmer at MDS will assemble and forward billing information to Mr. Radcliffe and the Engineer. Ms. Mihills reminded the Board that in order for the Bookkeeper to wire transfer monies to Mr. Sasson, a letter executed by three (3) Directors is required.

Mr. Lasky presented the Quarterly Investment Inventory Report for the Period Ending June 30, 2018, a copy of which is attached hereto as Exhibit "C."

Upon a **motion** by Director Primeaux, seconded by Director Flight, 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. Approved the Quarterly Investment Inventory Report for the Period Ending June 30, 2018;
- b. authorized payment of checks numbered 7274 through 7333 from the General Fund;
- c. authorized payment of checks numbered 1016 through 1018 from the Capital Projects Fund;
- d. authorized payment of checks numbered 2082 through 2095 from the Regional Sewage Treatment Plant Fund; and
- e. authorized payment of checks numbered 4050 through 4057 from the Surface Water Facilities Fund.

TAX ASSESSOR-COLLECTOR'S REPORT

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

Ms. Shaver reported that 97.19% of the 2017 taxes have been collected as of July 31, 2018.

Ms. Shaver then reported that she awaits certified values from the Harris County Appraisal District ("HCAD").

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

Mr. Radcliffe presented Resolutions Requesting Certificate of Estimated Appraised Value from HCAD as of September 1, 2018 and October 1, 2018, as requested by the Financial Advisor.

In response to a question from Mr. Radcliffe, Ms. Shaver indicated that she was not provided with a Delinquent Tax Attorney's Report.

Upon a **motion** by Director Alamia, 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; and acted on the following:

- a. authorized payment of check number 1679 from the Tax Account;
- b. approved the Resolution Requesting Certificate of Estimated Appraised Value from HCAD as of September 1, 2018; and
- c. approved the Resolution Requesting Certificate of Estimated Appraised Value from HCAD as of October 1, 2018.

Ms. Shaver exited the meeting at this time.

ENGINEER'S REPORT

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

Hidden Meadow (180 Acres)

Regarding the Hidden Meadow road acceptance, Mr. Anderson reported that Harris County (the "County") staff has agreed to a process for street acceptance for Hidden Meadow, Sections 6, 13 and 15. Mr. Ainsworth added Century Development will sign all necessary documents regarding the existing road survey for each of the three (3) sections.

Evergreen

Mr. Anderson reported no change during the past period at the Evergreen Villas, Section 2, WS&D and Evergreen Villas, Section 3, and East Little York Road WS&D with Principal Services, Ltd.

Facility and Utility Projects

Water Plant No. 1 ("WP No. 1"). Mr. Anderson reported the Notice to Proceed for the Recoating of WP No. 1 Ground Storage Tank No. 1 with CFG Industries, LLC ("CFG"), was issued for October 1, 2018.

Rehabilitation of Ground Storage Tank No. 2 at WP No. 1. Mr. Anderson reported that construction for the Rehabilitation of Ground Storage Tank No. 2 at Water Plant No. 1 with CFG is complete. Mr. Anderson presented Pay Application No. 3 and Final in the amount of \$102,026 and a Certificate of Final Completion for the Rehabilitation of Ground Storage Tank No. 2 at WP No. 1.

Tidwell Lakes Force Main. Mr. Anderson then reported that A&S received the recorded easement as well as County approval. Mr. Anderson also reported the Notice to Proceed for the Tidwell Lakes Force Main was issued for August 13, 2018, and construction has commenced.

Service Request

Mr. Anderson reported regarding a service request and associated deposit check from CIVE, Inc. for a retail center along Tidwell Road near Beltway 8. Mr. Anderson noted that the property is located within the District.

Miscellaneous Engineering Projects and Requests for Service

The Vireo. Mr. Anderson reported no change in the past period.

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 discussed a second driveway and reported that the County is pouring the apron in exchange for sidewalk easements from the District. Discussion ensued regarding the Water Plant site, detention pond and outfall and the tie-in to the outfall. Mr. Anderson reported that the District will work with the City of Houston (the "City") regarding the stub-out and driveway which is a joint project with Parkway. Mr. Anderson added that he expects to receive costs from the County in the near future and that the District can discuss funding at a later date.

Mr. Anderson discussed the easement with the County and indicated that the County is still considering the District's counter-offer. Mr. Radcliffe recommended the Engineer follow-up with the County on a regular basis.

Series 2018 Bond Application Report. Mr. Anderson reported that A&S addressed the Texas Commission on Environmental Quality's ("TCEQ") comments to the Ninth Bond Application Report and returned the requested information to the TCEQ for review. Mr. Anderson also reported that A&S and MDS personnel completed a pre-purchase inspection and a punchlist was generated. Mr. Anderson added that A&S will work with the Operator and developer on addressing the items.

Hidden Meadow, Section 12. Mr. Ainsworth presented a Grading Plan, a copy of which is attached as Exhibit "F," and discussed the back slope interceptor. Mr. Ainsworth indicated that A&S will solicit bids on behalf of the District.

Texas Pride Mobile Home Park ("Texas Pride"). Mr. Ainsworth next discussed questions raised by the owners/managers of Texas Pride regarding storm sewer repairs. Mr. Ainsworth stated that Texas Pride is located in the Parkway, Section 3 subdivision plat, which is within the boundaries of the District. Mr. Ainsworth reported that the water and sanitary sewer lines are located within the public right-of-way or utility easements dedicated by subdivision plat. Mr. Ainsworth went on to report that the streets were never accepted by the County and the streets are privately owned, so the owner of the development is responsible for maintaining the storm sewers.

JOINT FACILITIES REPORT

The Joint Facilities Report was next presented by Mr. Anderson.

Proposed Parkway/Greenwood Joint Facilities Agreement

Mr. Anderson first reported that the Engineer met with Jones|Carter to discuss modifying the capacity for Phase I of the Wastewater Treatment Plant ("WWTP") from 1.45 MGD to 1.875 MGD. Mr. Anderson discussed the layout of the WWTP. Mr. Anderson reported that Phase I involves the District and Parkway, and Phase II involves only the District. Mr. Anderson went on to report that after Phase II, costs are split 50/50 between the District and Parkway. Mr. Anderson noted that Phase II is paid by the District. Mr. Anderson reminded the Board that the breakdown of Phase I is 60 percent (60%) Parkway and 40 percent (40%) District. Mr. Anderson stated that Parkway is building 100 percent (100%) of its needs in Phase I. Mr. Anderson also stated that A&S is working with RBAP and Jones|Carter and he hopes to have a presentation ready for the September Board meeting.

Mr. Radcliffe then discussed the District/Parkway breakdown and lease payments for Parkway's capacity. Director O'Neill discussed the costs associated with design for increased capacity and Mr. Radcliffe responded that the costs will be paid by the correct 60/40 percentage breakdown.

Outfall Repair Project

Mr. Anderson reported that the contractor established turf along the outfall area and is ready for Harris County Flood Control District inspection which is scheduled for August 16, 2018. Mr. Anderson indicated that he hopes to close-out this project in the near future and the District can then begin maintaining the property. Mr. Bellamy stated that he will speak to the company that provides lawn maintenance services for the District about maintaining the outfall area.

Fine Screen Installation

Mr. Anderson reported that installation of the fine screen by C3 Constructors, LLC is ongoing due to a manufacturer error in the channel calculation that was discovered during the initial start-up. Mr. Anderson next reported that modifications to the screen are occurring at no cost to the District or Parkway and another installation and start-up attempt will be scheduled in the coming weeks.

WWTP Design

Mr. Anderson next discussed the status of WWTP design and reported that design calculations are being revised to account for the increase in required flow. Mr. Anderson also reported that the revised design and construction schedule will be presented at the September Board meeting.

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.

Mr. Anderson next reported that work on the management of the identified poorly drained areas with Wetlands Professional Services has commenced and is ongoing. Mr. Anderson stated that A&S will coordinate the findings in the WWTP expansion project cost estimate to be presented at the September Board meeting.

In response to a question from Director O'Neil, Mr. Ainsworth stated that the property is not a wetlands, but a low lying, poorly drained area.

Surface Water Transmission Facility ("SWTF")

Mr. Anderson reported that the SWTF is moving forward and he expects to begin the design soon.

Regarding the status of the surface water increase from the City, Mr. Anderson discussed upsizing the water transmission line from 12-inches (12") to 16-inches (16") and updated the Board regarding the meeting with the City. Mr. Ainsworth discussed the County's line from the bridge to the District's meter and stated that the County requested that the District increase the line to 16 inches (16") which the County wants in its contract and for the District to pay for the expense. Mr. Ainsworth stated that three (3) items in the contract will be shared 50/50 between the District and Parkway, including the 16-inch (16") water transmission line, the driveway and the stub-out, all of which will be included in the next Bond Application Report. Mr. Ainsworth also reported that he requested a six (6) month extension of the City's impact fees and the 16-inch (16") line from the City.

Discussion ensued regarding Sheldon Independent School District ("SISD") and Mr. Radcliffe stated that SISD has a commitment that has been executed by the City. Discussion ensued regarding resolution of the SISD matter.

Mr. Ainsworth reported that he received a service request for apartments located on property owned by Friendswood Development. Mr. Ainsworth added that the developer will need to pay \$5,000 for a feasibility study.

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

- a. approved CFG's Pay Application No. 3 and Final in the amount of \$102,026 for the Rehabilitation of Ground Storage Tank No. 2 at WP No. 1 project;

- b. authorized the Engineer to issue the Certificate of Completion to CFG for the Rehabilitation of Ground Storage Tank No. 2 at WP No. 1 project; and
- c. authorized the Engineer to proceed with a feasibility study for the CIVE, Inc. retail center.

OPERATOR'S REPORT

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

Mr. Bellamy first reported that the District currently has 2,541 connections.

Mr. Bellamy reported that the District has accounted for 87.9% 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 90.5% and there were no excursions at the WWTP.

Mr. Bellamy reported that a total of 10 taps have been installed during the prior month and a total of 308 taps have been installed to-date in 2018.

Mr. Bellamy reported that Harris-Galveston Subsidence District ("HGSD") denied the District's and Parkway's request 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. Bellamy went on to report that the District will need to use groundwater credits in payment of the disincentive fees.

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

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due August 15, 2018, is attached to his report.

Mr. Bellamy discussed a lift station located on C. E. King Parkway owned by Dieter Liebich. Mr. Anderson reported that he inspected the lift station approximately three (3) years ago. It was reported that the cost for a new lift station is approximately \$150,000. It was also reported that the lift station does not meet TCEQ requirements. Mr. Bellamy indicated that someone needs to meet with the owners of the lift station. Mr. Anderson discussed all the problems and stated that not much can be salvaged.

Next, Mr. Bellamy presented Electronic Lockbox Payment Service Documents with Central Bank, including a Resolution Approving ELP Payment Services, an Addendum to MDS Service Agreement, Central Lockbox Processing Agreement and Notice of Termination of Compass Bank Agreement, copies of which are attached hereto collectively as Exhibit "H," for the Board's consideration. Mr. Bellamy discussed the benefits of entering into an agreement with Central Bank and noted no charges will be incurred by the District to make the change.

Upon a **motion** by Director Primeaux, seconded by Director Wisener, 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 terminations;
- b. adopted the Resolution Approving ELP Payment Services with Central Bank;
- c. approved the Addendum to MDS Service Agreement;
- d. approved the Central Lockbox Processing Agreement; and
- e. authorized notice of Termination of the Compass Bank Agreement.


Upon a **motion** by Director Flight, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the Depository Pledge Agreement with Central Bank, a copy of which is attached hereto as Exhibit "I."

ATTORNEY'S REPORT

Director Alamia reported that the District website is live and the Engineer provided a District map that was published on the website. The Operator was asked to place information regarding the website on the District's utility bills.

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

SIGNED, PASSED and APPROVED this the 19th day of September, 2018.


Secretary, Board of Directors

EXHIBITS:

- A - Patrol Service Report
- B - Bookkeeper's Report and Investment Report
- C - Quarterly Investment Inventory Report for the Period Ending June 30, 2018
- D - Tax Assessor-Collector Report
- E - Engineer's Report/Correspondence Items
- F - Hidden Meadow, Section 12 Grading Plan
- G - Operator's Report
- H - Electronic Lockbox Payment Service Documents with Central Bank
- I - Depository Pledge Agreement with Central Bank