

GREENWOOD UTILITY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

OCTOBER 17, 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, October 17, 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, except for Director Flight. Also attending were Anthony Lasky and Mary Ann Mihills 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"); Lieutenant Jimmy Evans and Sergeant Terry Ganey of Harris County Constable's Office, Precinct No. 3 (the "Constable"); George Blich and Bill Blich of Blich Associates, Inc. ("Financial Advisor"); Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("Auditor"); 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.

\$7,920,000 WATERWORKS AND SEWER SYSTEM COMBINATION UNLIMITED TAX AND REVENUE BONDS, SERIES 2018 (THE "BONDS").

Mr. Jenkins addressed the Board regarding the Reimbursement Audit related to the Bonds, a draft copy of which is attached hereto as Exhibit "A." Mr. Jenkins stated that this Reimbursement Audit is related to costs reimbursable to Camcorp Interests, Ltd. and Century Land Holdings of Texas, LLC, developers in the District, and HLL Land Acquisitions of Texas, L.P., assignee. Mr. Jenkins noted that the Reimbursement Audit will be approved subject to the net effective interest rate. Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Reimbursement Audit related to the Bonds, subject to pending review and comment by the Attorney and Engineer of reimbursement issue, approval by Texas Commission on Environmental Quality (the "TCEQ"), the net effective interest rate of 4.482375% and authorized the payment of reimbursement as stated in such audit.

Mr. Jenkins exited the meeting at this time.

FINANCIAL ADVISOR'S REPORT.

George Blitch addressed the Board regarding the Bonds.

Director Wisener entered the meeting at this time.

Mr. Blitch presented the SAMCO Capital Markets, Inc. ("SAMCO") bid for the Bonds, with a net effective interest rate of 4.482375% and recommended the District accept the bid.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board accepted the bid for the Bond sale from SAMCO with a net effective interest rate of 4.482375%.

Mr. Radcliffe then presented an Order Authorizing Issuance of \$7,920,000 Greenwood Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2018; a Transfer and Paying Agent/Registrar Agreement; and Other Matters In Connection Therewith (the "Bond Order") in connection with the Bond sale.

Mr. Blitch requested approval for the Financial Advisor and Attorney to finalize the Official Statement (the "OS").

Messrs. Blitch and Radcliffe discussed a closing date of November 20, 2018.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board: 1) approved the Bond Order as presented; 2) authorized execution of the General Certificate, Signature Identification and No-Litigation Certificate, letters to the Attorney General and Comptroller of Public Accounts, Paying Agent/Registrar Agreement with UMB Bank, n.a. and all other documents; 3) authorized the Financial Advisor and Attorney to finalize the OS; and 4) authorized the Financial Advisor and Attorney to take all other necessary actions in connection with the sale and issuance of the Bonds.

TAX ASSESSOR-COLLECTOR'S REPORT

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

Ms. Shaver reported that 97.37% of the 2017 taxes have been collected as of September 30, 2018.

Ms. Shaver presented the Delinquent Tax Roll, a copy of which is attached to her report, and reported that termination letters were mailed. No persons were present for a public hearing regarding delinquent taxes.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board: 1) approved the Tax Assessor-Collector's Report, as presented; 2) authorized payment of checks numbered 1687 through 1692 from the Tax Account, with check number 1654 being voided; and 3) authorized termination of service due to non-payment of delinquent taxes..

MINUTES

The Board then considered approval of the minutes of the regular meeting of September 19, 2018. Upon a **motion** by Director Alamia, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of September 19, 2018, as presented.

PUBLIC COMMENT

The President opened the meeting to public comment.

Gerald Netters, a realtor, stated that he sold a home in Tidwell Lakes that closed on August 26, 2017, and the purchaser of the home just recently received a tax statement. Mr. Netters stated that no District tax rate was referenced on the Harris County Appraisal District website. Ms. Shaver stated the tax rate should be on the Notice to Purchaser, a document presented for execution at closing. Mr. Radcliffe stated that he would work on this issue.

Next, Evergreen Villas resident, Dwayne Smith, inquired regarding the drainage project on the corner of Stonefield and Bavaria, and was informed that it is a Harris County Flood Control District ("HCFCD") project. Mr. Smith also inquired regarding the property at the corner of Garrett Road and C. E. King Boulevard and was informed the property is located outside the District's boundaries and was a former sand pit. Mr. Smith then discussed security concerns in his neighborhood. Discussion ensued regarding criminal activity in the District.

Concerning formation of a crime watch group, Director Alamia asked if Sheldon Independent School District ("SISD") has been contacted and Mr. Radcliffe explained the work that has been done thus far regarding organization of a crime watch group.

Director Alamia discussed the addition of another law enforcement officer in the District, but stated the District first needs to find a way to fund an additional officer. Mr. Radcliffe stated that the District's Financial Advisor is looking at ways to fund the additional officer, including water and sewer rate increases. Director Alamia stated that having food at District meetings is a waste of money to the District. Mr. Radcliffe stated that food is provided at District meetings since many of the Directors and consultants do not have an opportunity to eat before the meetings. Mr. Bellamy stated that he would provide food at future meetings at no cost to the District.

Director O'Neill stated that the public needs to get involved in organization of a crime watch group. Arlette Alamia stated that she provided her contact information to Sergeant Ganey and is waiting to hear from him. Mrs. Alamia stated that she is committed to work with the District and wants the District to work with law enforcement. Sergeant Ganey reported that only two (2) calls were received on the hot line during the prior month.

Mrs. Alamia next stated that no one knows about the website or when District meetings are held. Mr. Bellamy suggested adding a message on utility bills about the District website. Mr. Radcliffe apologized for this project moving too slowly.

Mr. Radcliffe discussed an email from a District resident, Keana Highsmith, that was sent through the contact form on the District's website and his response to the resident. The email exchange was distributed to the Board and members of the public.

Mr. Smith stated that security needs to be addressed and inquired regarding commercial businesses in the District. Mr. Radcliffe responded that commercial businesses in the District are required to abide by the District's rules and commercial businesses regularly communicate with the District Engineer.

Members of the public stated that the District needs to be consistent with the information provided to the community. Mr. Radcliffe discussed the history of the District and stated that the District has come a long way, but there is always room for improvement. Mr. Radcliffe also discussed the need for additional development in the District.

Mrs. Alamia stated that she wants the Board to help with community outreach. Mr. Ainsworth stated that he contacted Louis Trapolino about use of the Bavaria clubhouse. Mr. Ainsworth also stated that it is in Evergreen's best interest for the developer to assist in organization of a crime watch group.

Next, discussion ensued regarding block captains and use of the District Administration Building, but also reaching out to SISD for use of its facilities for safety and security meetings with other areas within the 77044 zip code.

In response to a question regarding access to Beltway 8 and Van Hut, Mr. Ainsworth stated that a bridge is required over HCFCD property and bridges are typically constructed by Harris County (the "County"). Mr. Ainsworth encouraged members of the public to contact their County Commissioner regarding the need for a bridge because citizens are the best advocates.

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

PATROL SERVICE REPORT

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

Sergeant Ganey first introduced Lieutenant Jimmy Evans. Sergeant Ganey reported that the Constable's Office is in the process of moving to a new location and setting up an office.

Sergeant Ganey next discussed scheduling a neighborhood meeting and inviting County Commissioners.

Sergeant Ganey discussed calls dropped over the prior month. Sergeant Ganey reported the largest increase in criminal activity was motor vehicle burglaries. Sergeant Ganey went on to report that people are leaving vehicles unlocked and leaving valuables in vehicles.

Bill Blich entered the meeting and George Blich exited the meeting at this time.

Sergeant Ganey stated that he will bring fliers with tip line information to the next Board meeting.

Sergeant Ganey reported that he has seen improvement in the mobile home park.

Sergeant Ganey stated that he works for the community and encouraged members of the public to contact him about incidents published on social media.

Lieutenant Evans stated that Harris County Precinct 3 has a Facebook page and a Twitter account. Lieutenant Evans offered to have Sergeant Ganey meet with small groups of District residents. Lieutenant Evans encouraged the community to call law enforcement to meet the citizens. Lieutenant Evans highly recommended that if a crime watch group is formed, to contact Sergeant Ganey so the County can get the word out to Precinct 3. Lieutenant Evans stated that the quality of law enforcement service has not diminished due to relocating officers.

Sergeant Ganey indicated that Lieutenant Bobby Thurman at SISD reports directly to the SISD superintendent.

At this time, Sergeant Ganey, Lieutenant Evans and several members of the public 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 "D," 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.

First, Ms. Mihills stated that she will no longer attend District meetings, but will continue to provide bookkeeping services to the District for one (1) year before retiring.

Mr. Radcliffe discussed Bay Utilities, LLC ("Bay") Pay Application No. 1 for the Tidwell Lakes Force Main Project in the amount of \$137,767.50. Mr. Blich stated that he recommends that any payment for the project from the general operating funds should be reimbursed from future bond funds, if the TCEQ would approve such reimbursement.

Mr. Bellamy stated that Federal Emergency Management Agency ("FEMA") documents were signed today and the District should receive funds in excess of \$300,000 for damages due to Hurricane Harvey. Ms. Mihills asked where funds from FEMA should be applied. Discussion ensued.

In response to a question from Director O'Neill, Ms. Mihills stated that the District has 9.61 months operating reserve.

Mr. Lasky then distributed the draft budgets for the Surface Water Facilities and Regional Sewage Treatment Plant for fiscal year ending December 31, 2019, copies of which are attached hereto collectively as Exhibit "E."

Upon a **motion** by Director Primeaux, 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 7383 through 7440 from the General Fund;
- b. authorized payment of checks numbered 1022 through 1023 from the Capital Projects Fund;

- c. authorized payment of checks numbered 2109 through 2123 from the Regional Sewage Treatment Plant Fund;
- d. authorized payment of checks numbered 4064 through 4070 from the Surface Water Facilities Fund; and
- e. adopted a resolution declaring official intent to reimburse expenditures from proceeds of future tax exempt bonds for Bay Pay Estimate No. 1 in the amount of \$137,767.50.

Mr. Radcliffe discussed dates for a joint meeting with Parkway Utility District ("Parkway"). It was the consensus of the Board to meet on Wednesday, November 28, 2018, at 6:30 p.m. at the District Administration Building.

Next, Mr. Radcliffe inquired if the Board would like to move the date of the November regular meeting due to the Thanksgiving holiday. The Board agreed to move the November regular meeting to Wednesday, November 14, 2018, at 6:30 p.m.

2018 TAX RATE.

Mr. Radcliffe next directed the Board to consider various tax-related orders.

Mr. Blich discussed the \$0.75 tax rate.

Director O'Neill inquired about maintaining the current water rate if the District receives funds for damages due to Hurricane Harvey from FEMA and the District declares its official intent to reimburse expenditures from proceeds of future tax exempt bond reimbursements.

Mr. Blich stated that since he anticipates issuing \$10 million in bonds and because he has nothing beyond September 1, 2018 values, Mr. Blich stated the tax rate could increase to \$0.79 per \$100 assessed valuation in 2019. Mr. Blich indicated that he will present projections at the November regular meeting. Mr. Radcliffe explained the use of the Series 2018 and Series 2019 bonds.

The President called the public hearing on the 2018 ad valorem tax rate to order, notice of which was published as required by law. The President noted that there were no parties present to offer public comment. The President then declared that, pursuant to the recommendation of the District's Financial Advisor, the Board proposed to levy a total tax rate of \$0.75 per \$100 assessed valuation for debt services purposes only. The public hearing was adjourned.

Mr. Radcliffe presented an Order Setting Rate and Levying Tax for 2018, a copy of which is attached as Exhibit "F."

The Board considered an Order Appointing Tax Assessor/Collector, a copy of which is attached hereto as Exhibit "G."

Mr. Radcliffe presented an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "H." Mr. Radcliffe stated that the form must be amended to show the change in the tax rate, the outstanding debt and the Notice to Purchasers form. He further stated that the amended form is required to be filed with the Harris County Real Property Records (the "HCRPR") and the TCEQ.

The Board considered a Resolution Concerning Tax Collection Procedures, a copy of which is attached as Exhibit "I."

Upon a **motion** by Director Wisener, seconded by Director Primeaux, after full discussion and with all Directors present voting aye, the Board approved the Order Setting Rate and Levying Tax for 2018, authorizing a total ad valorem tax rate of \$0.75 per \$100 of assessed value for the year 2018 for debt service purposes.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board

- (1) approved the Order Appointing Tax Assessor/Collector, as presented, appointing David Patterson as Tax Assessor/Collector for the District;
- (2) approved the Amended and Restated District Information Form and authorized the Attorney to file the form with the HCRPR and the TCEQ as required by law; and
- (3) adopted the Resolution Concerning Tax Collection Procedures, as presented.

Ms. Mihills 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 "J."

Tidwell Lakes (150 Acres)

First, Mr. Ainsworth updated the Board regarding Tidwell Lakes and discussed the TCEQ inspection.

Mr. Ainsworth next discussed the appraisal evaluation of the Tidwell Lakes Water Plant and indicated that he could do the appraisal, subject to TCEQ approval. Otherwise, Mr. Ainsworth stated that he could hire another appraiser. Director O'Neill informed Mr. Ainsworth that he would prefer another appraiser selected by the Board. Mr. Ainsworth went on to state that he will bring an appraisal proposal to the next Board meeting.

Mr. Ainsworth then discussed transition of services and reported that based on his meeting with Mr. Sasson on October 10, 2018, the joint reading of customer service meters will be scheduled for October 26, 2018. Mr. Ainsworth stated that once the Tidwell Lakes Wastewater Treatment Plant is transferred to the District, A&S will also transfer customer services and proceed with having the discharge permit transferred through the application process with the TCEQ. Mr. Ainsworth reported that the TPDES Permit was renewed in the name of Tidwell Wastewater Utilities and the permit runs through December 1, 2022.

Detention Ponds

Mr. Stuckey presented the 2018 Third Quarter Report, a copy of which is attached hereto as Exhibit "K."

Regarding Bavaria Pond Maintenance, Mr. Stuckey reported that recent rainfall has grass thriving and the ponds are performing well. Mr. Stuckey reported that the pilot channel on the west side of the Bavaria Pond is in need of desilting again soon. Mr. Stuckey added that weather has been affecting all work schedules and mowing is delayed approximately one (1) week. Mr. Stuckey reported that a mattress and other large trash debris will be collected on Stuckey's next visit.

Mr. Stuckey next discussed the Hidden Meadow Phase I Pond and reported that the pond is looking exceptionally well with no concerns. Mr. Stuckey also reported that Stuckey's will apply the fall overseed and fertilization in the coming weeks when the cooler weather is more consistent. Mr. Stuckey added that this will maintain the dense vegetative coverage through the winter.

Mr. Stuckey then reported that a few items at the Hidden Meadow Phase II Pond are in need of some attention, including silt build-up in the pilot channels that needs to be removed. Mr. Stuckey reported that the wet weather has prevented Stuckey's from getting all areas bottom-mowed. Mr. Stuckey went on to report that the tracked mowing of these areas should be completed when there is a break in the weather. Mr. Stuckey reported there is an area without proper vegetation on the smaller pond and Stuckey's will monitor the area immediately following the fall over-seeding to determine if additional action is necessary. Mr. Stuckey added that there are a few small sinkholes along the southwest backslope swale of the larger pond and they will need to be excavated, compacted and refilled.

Concerning the Tidwell Regional Pond, Mr. Stuckey reported that mowing of this pond was completed the previous month, but the weed eating crews have been rained out since that time. Mr. Stuckey reported that they will return to the site soon to clean up what was previously missed. Mr. Stuckey added that Stuckey's is working with the Engineer to plan for the second phase of expansion for this pond.

Hidden Meadow (180 Acres)

Mr. Anderson reported that Hidden Meadow, Section 9 WS&D with Crosstex Construction, Inc. ("Crosstex") is ongoing. Mr. Anderson requested the Board's concurrence to Crosstex's Pay Application No. 2 in the amount of \$67,908.38 for Hidden Meadow, Section 9, WS&D.

Mr. Anderson reported that Hidden Meadow, Sections 10 and 12 WS&D work with C. E. Barker, Ltd. ("Barker") is complete.

Mr. Anderson reported that Hidden Meadow, Sections 11 and 14 are currently on hold.

Mr. Ainsworth reported that the County agreed to a process for Hidden Meadow road acceptance and County staff identified what actions are required by the developers.

Evergreen

Mr. Anderson reported that Barker's work on Evergreen Villas, Section 2, WS&D is complete.

Mr. Anderson next reported that work is complete 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. 6 and Final in the amount of \$39,540.77 for Evergreen Villas, Section 3, and East Little York Road WS&D.

Facility and Utility Projects

Water Plant No. 1 ("WP No. 1"). Mr. Anderson reported that Recoating of WP No. 1 Ground Storage Tank No. 1 with CFG Industries, LLC ("CFG") has commenced and the scheduled completion date is November 30, 2018.

Mr. Anderson reported that A&S anticipates the Parkway Water Plant Expansion Project can commence in December 2018 and A&S will continue to coordinate the construction activities and downtime for the ground storage tank with the Operator and the Parkway Engineer, Jones|Carter.

Miscellaneous Engineering Projects and Requests for Service

The Vireo. Mr. Anderson reported that A&S sent a revised capacity letter to The Vireo's engineer and The Vireo is aware that a water supply payment will be required. Mr. Anderson also reported that A&S and the Operator reviewed the proposed development plans and provided comment letters. Mr. Anderson went on to report that the proposed detention pond access is being coordinated with the developer's engineer. Mr. Anderson reported that A&S recommended access from C. E. King Boulevard, however, no recorded easement has been received to-date. Messrs. Anderson and Stuckey discussed an access road to the detention pond.

City of Houston Impact Fee. Mr. Ainsworth reported that the City granted a six (6) month extension to pay water impact fees. Mr. Ainsworth also reported this will allow the contract to take 30,000,000 gallons through the existing 12-inch (12") line.

Bond Application Report No. 10 ("BAR 10"). Mr. Anderson presented the proposed Table IV for the Board's review and approval, a copy of which is attached to the Engineer's Report. Mr. Anderson indicated that A&S anticipates submitting the report to the TCEQ after the first of 2019. Mr. Anderson noted that BAR 10 does not include the Tidwell Lakes Force Main Project and if such project is added, it will increase the application by approximately \$1,000,000.

JOINT FACILITIES REPORT

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

Joint Facilities Agreement

Mr. Anderson reported that he hopes to have the Joint Facilities Agreement by December 1, 2018 because it must be included for BAR 10.

Outfall Repair Project

Mr. Anderson reported that the Repair of Erosion of Wastewater Treatment Plant Outfall with RAC Industries, LLC ("RAC") project is complete. Mr. Anderson presented RAC Pay Application No. 5 and Final in the amount of \$11,986.30 and recommended approval and payment.

Fine Screen Installation

Mr. Anderson reported that installation of the fine screen by C3 Constructors, LLC is in operation, but currently is experiencing issues with large rag balls and ropes that frequently binds the equipment. Mr. Anderson also reported that the manufacturer's representative was onsite and plans to install a cutter blade on the equipment at no cost to the District to try to alleviate the binding issue. Mr. Anderson reported that A&S will continue to work with the manufacturer to allow continued operation and A&S anticipates presenting the project closeout documents and Final Pay Application at the November Board meeting.

Mr. Anderson reported that the type of debris received at the WWTP, including bricks and concrete, is concerning to any type of future screening technology for the WWTP Expansion Project. Mr. Anderson added that this will be taken into account when evaluating the next screen technology during the project engineer report phase of the WWTP Expansion Project.

WWTP Design

Mr. Anderson next reported that the project engineer report, site clearing, grubbing and detention work is ongoing based on the increase in required flow. Mr. Anderson added that the project is on schedule and A&S is scheduled to advertise the site clearing, grubbing and detention project in the first quarter of 2019.

Mr. Anderson reported that the TPDES WWTP discharge permit amendment process was submitted to the TCEQ.

Mr. Anderson next reported that work on the management of identified poorly draining areas with Wetlands Professional Services is nearing completion and he anticipates presenting the report at the next Board meeting.

Surface Water Transmission Facility ("SWTF")

Mr. Anderson reported that work on the design of the SWTF is ongoing.

Harris County Tidwell Road Improvements

Mr. Anderson reported that A&S continues to work with the County on the Tidwell Road Expansion Project and provided a summary of funding for the different portions of the project.

Upon a **motion** by Director Primeaux, 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. concurred with Crosstex's Pay Application No. 2 in the amount of \$67,908.38 for Hidden Meadow, Section 9, WS&D;

- b. concurred with Principal's Pay Application No. 6 and Final in the amount of \$39,540.77 for Evergreen Villas, Section 3, and East Little York Road WS&D;
- c. approved Bay Pay Application No. 1 for the Tidwell Lakes Force Main Project in the amount of \$137,767.50; and
- d. approved RAC Pay Application No. 5 and Final for the Repair of Erosion of Wastewater Treatment Plant Outfall Project in the amount of \$11,986.30 and approved the Certificate of Final Completion.

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 "L."

Mr. Bellamy first reported that the District currently has 2,579 connections.

Mr. Bellamy reported that the District has accounted for 99.9% 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 107.1% and there were no excursions at the WWTP.

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

Mr. Bellamy reported that a total of 10 taps have been installed during the prior month and a total of 365 taps have been installed to-date in 2018.

Mr. Bellamy presented the Write-Off List dated September 27, 2018, a copy of which is attached to his report, and reported six (6) accounts totaling \$624.42.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due October 17, 2018, is attached to his report.

Mr. Bellamy inquired regarding placing a notice on utility bills about the District website and tip lines. It was the consensus of the Board to include the flier with utility bills upon receipt from Sergeant Ganey.

Mr. Bellamy then discussed a water leak on the District's side of the meter at 12063 Kona Cay. Mr. Bellamy reported that a shed built on a slab may need to be removed in order to repair the water leak. Mr. Bellamy indicated that because the resident cannot afford to move the shed, he will check to see if the line can be repaired without moving the shed. Mr. Bellamy added that the account is delinquent and is in the name of the resident's brother. Mr. Bellamy explained that MDS cannot close the account before moving the account to the current resident.

Discussion ensued regarding whether accounts on the write-off list are renters or owners.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board: 1) approved the Operator's Report, as presented; and 2) authorized write-offs and terminations.

WEBSITE REPORT

Discussion ensued regarding the telephone numbers published on the District website. Mr. Radcliffe asked if the Board wants consultant telephone numbers published on the website or if the Board prefers creating a phone box. Mr. Bellamy recommended numbers for emergency situations and billing.

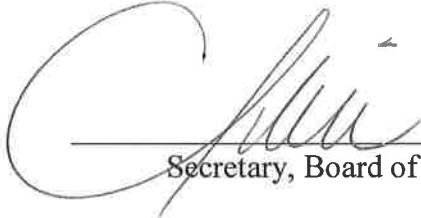
Mr. Radcliffe stated that his office will determine if the Drinking Water Quality Report is published on the website.

ANNUAL REVIEW OF ALL CONSULTANTS' CONTRACTS

Mr. Radcliffe next directed the Board to consider their annual review of the consultants' contracts and reminded the Board that they can address consultant contracts at any time. Mr. Radcliffe reported that the item was placed on the agenda as an annual reminder. It was the consensus of the Board that there are no issues at this time.

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

SIGNED, PASSED and APPROVED this the 14th day of November, 2018.



Secretary, Board of Directors

EXHIBITS:

- A - Reimbursement Audit
- B - Tax Assessor-Collector Report
- C - Patrol Service Report
- D - Bookkeeper's Report and Investment Report
- E - Draft budgets for joint facilities for FYE December 31, 2019
- F - Order Setting Rate and Levying Tax for 2018
- G - Order Appointing Tax Assessor/Collector
- H - Amended and Restated District Information Form
- I - Resolution Concerning Tax Collection Procedures
- J - Engineer's Report/Correspondence Items
- K - Stuckey's Contract Services 2018 Third Quarter Report
- L - Operator's Report