

## GREENWOOD UTILITY DISTRICT

### MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 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, February 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"); Katherine Turner of Municipal Accounts & Consulting L.P. ("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"); Deputy Terry Ganey of Harris County Constable's Office, Precinct No. 3 (the "Constable"); Charles McFarland of McFarland PLLC; Mark Janik of Gromax Development; Brenda McNeil, Al Rettig, Jennifer Balderas and Ron Everhart of Parkway Utility District ("Parkway"); 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.

1. Mr. Syzek discussed the proposed county town hall meetings to talk about flood control projects.
2. District resident, David Alamia, spoke about his involvement in community outreach projects and community initiative in the Sheldon area. Mr. Alamia urged the Board to look into such projects.
3. Mr. Radcliffe reported that the District has called an Operations and Maintenance Tax Election for May 5, 2018, and discussed the benefits of operation and maintenance taxes to the District's residents.

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 special meeting of January 23, 2018, and the regular meeting of January 30, 2018. Upon a **motion** by Director Flight, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the minutes of the special meeting of January 23, 2018, and the regular meeting of January 30, 2018, as presented.

### **PATROL SERVICE REPORT**

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

At this time, Deputy Ganey exited the meeting.

### **EXECUTIVE SESSION**

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the Presidents called the executive session to order at 6:53 p.m. to discuss real estate matters and matters within the attorney/client privilege. Present for the executive session were the Boards of Directors of Parkway and Greenwood, Messrs. McFarland, Radcliffe and Barner and Ms. Brewer.

### **RECONVENE IN OPEN SESSION**

As of 7:10 p.m., the Presidents declared the Executive Session was ended and the public session was resumed.

### **JOINT FACILITIES REPORT**

1. **Regional Wastewater Treatment Plant ("RWWTP")**
  - a. Mr. Anderson first discussed clearing, grubbing and grading for the Regional Wastewater Treatment Plant ("RWWTP") Expansion Project. Mr. Anderson next presented the Joint Facilities Report and A&S' proposal for engineering services related to the RWWTP Expansion to 1.45 MGD, copies of which are attached hereto as Exhibit "B." Mr. Anderson also reported that costs will be split between the District and Parkway as per the Attorney and the Districts' respective Engineers.
  - b. Mr. Ainsworth reported regarding a very detailed meeting with Parkway's Engineer, John Sherrington. Mr. Ainsworth also discussed the size of the RWWTP. Mr. Anderson reported that equipment best suited for the project will be investigated. Mr. Anderson discussed the Share Point website and stated that documents related to the RWWTP Expansion Project will be added to such site.

- c. Mr. Anderson next reported that design of the RWWTP should take 10 to 12 months, including bidding, and construction is estimated to take 14 months. Mr. Anderson recommended beginning the preliminary engineering including geotechnical study. Extensive discussion ensued. Mr. Barner informed the Boards that no action regarding such matter has been taken by Parkway's Board because neither he nor the Board has had an opportunity to review the proposals for such engineering.
- d. Mr. Anderson explained the geotechnical study. Mr. Anderson requested the Greenwood and Parkway Boards' approval to begin the geotechnical study. Parkway Director Everhart reported that Parkway's Board has not discussed such study with Mr. Sherrington. Mr. Radcliffe asked if Parkway is opposed to approving the geotechnical study; Parkway Director Rettig responded that the process for reviewing and approving joint projects needs to be clarified before such projects can be approved by the Parkway Board. Mr. Ainsworth stated that he will speak with Mr. Sherrington and a combined recommendation will be given to both Boards.
- e. Discussion next ensued regarding meeting with the Districts' Engineers and Operators to discuss timing issues. Mr. Barner stated that Parkway needs a good explanation of the projects and proposals need to be distributed well in advance of meetings.
- f. At this time, Mr. Anderson discussed operations and the RWWTP replacement screen and reported that a contract needs to be executed.
- g. Mr. Anderson then updated the Boards regarding the Repair of Erosion of Wastewater Treatment Plant Outfall Project with RAC Industries, LLC and reported that Change Order No. 1 work has commenced. Mr. Anderson went on to report that the Harris County Flood Control District ("HCFCD") has been informed of the additional work.

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

- a. Mr. Anderson reported that he awaits a response from the City of Houston (the "City") to the Districts' request for an increase in water demand.
- b. Concerning the Tidwell Road Expansion Project, Mr. Anderson reported that a meeting was held with the Harris County (the "County") engineer regarding driveway access, fencing modifications and meter easements. Mr. Anderson noted that fencing may need to be moved.

Upon a **motion** by Director Tankersley, seconded by Director Wisener, after full discussion and with all Directors present voting aye, the Board approved the Joint Facilities Report.

Upon a **motion** by Parkway Director Rettig, seconded by Parkway Director Everhart, after full discussion and with all Directors present voting aye, the Parkway Board approved the Joint Facilities Report.

## BOOKKEEPER'S REPORT AND INVESTMENT REPORT

The Bookkeeper's Report and Investment Report, copies of which are attached hereto collectively as Exhibit "C," 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. Ms. Mihills first introduced Katherine Turner and discussed MAC's acquisition of FSG. Ms. Mihills next discussed the new format of the Bookkeeper's Report. It was reported that MAC will present a transfer of bookkeeping service contract from FSG to MAC in the near future. Ms. Mihills reported that she will be a consultant to the District and she will continue to attend the District's meetings.

Parkway Director Balderas exited the meeting at this time.

- b. Ms. Mihills reported that the District has a 10.55 months operating reserve.
- c. Ms. Mihills next inquired regarding whether the lease payment can be applied to the Sasson annexation account. Mr. Anderson responded that A&S would confirm by email tomorrow.
- 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. Ms. Mihills next discussed the Hale Tract account balance and was instructed to invoice SCM Realty Services, Inc. ("SCM").
- f. Ms. Mihills then discussed the Auto Zone account and was instructed to reimburse Auto Zone the amount of \$1,425.48.
- g. Ms. Mihills inquired regarding the Vireo Apartments Feasibility Study account and was informed that such development is on hold at this time.

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. authorized payment of checks numbered 7001 through 7043 from the General Fund;
- b. authorized payment of checks numbered 1001 through 1003 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2001 through 2015 from the Regional Sewage Treatment Plant Fund; and
- d. authorized payment of checks numbered 4001 through 4008 from the Surface Water Facilities Fund.

## TAX ASSESSOR-COLLECTOR'S REPORT

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

- a. Ms. Shaver reported that 74.34% of the 2017 taxes have been collected as of January 31, 2018, and added that as of the date of the meeting, an additional \$272,934.17 of the District's 2017 taxes have been collected.
- b. 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 Tankersley, 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 1621 through 1629 from the Tax Account.

## TAX ORDERS

1. Mr. Radcliffe presented an Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "E." The Board considered approval of tax exemptions for the 2018 tax year, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents, as reflected in same. Mr. Radcliffe reported that last year, the Board granted a homestead exemption of, the greater of, 20% of the appraised value or \$5,000, and a \$3,000 exemption for disabled persons or persons over 65 years of age.
2. Mr. Radcliffe then explained that pursuant to the Texas Property Tax Code, the District may levy an additional 20% penalty on 2017 personal property and real property taxes that remain delinquent as of April 1, 2018, and July 1, 2018, respectively, to help defray the costs of collection, if the Board has entered into an agreement with an attorney for the collection of delinquent taxes and if proper notice of such penalty is provided to property owners. Mr. Radcliffe explained that the District has such an agreement with its Delinquent Tax Attorney, and follows the notice requirements of the Tax Code; therefore, by adopting a Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "G," the District is legally able to collect such additional penalties on the delinquent 2017 personal property taxes as of April 1, 2018, and the real property taxes as of July 1, 2018.
3. The Board next discussed adopting the Resolution Authorizing Petition Challenging Appraisal Records, a copy of which is attached hereto as Exhibit "F."

Upon a **motion** by Director Primeaux, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board: 1) approved the Order Determining Ad Valorem Tax Exemptions; 2) approved the Resolution Authorizing Petition Challenging Appraisal Records; and 3) adopted the Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

## **ENGINEER'S REPORT**

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

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 ongoing. Mr. Anderson requested the Board's concurrence to Double Oak's Pay Application No. 7 in the amount of \$25,861.50 for the Hidden Meadow Detention Pond Excavation and Mass Grading project.
  - a. Regarding road acceptance issues, Mr. Anderson reported that A&S has had recent contact with the County for street acceptance for Hidden Meadow, Sections 6, 13 and 15, and was advised that the County has made progress with the County's legal department. Mr. Anderson next reported that A&S will proceed with inspections, punchlist and construction estimates as required by the County and information will be presented to the Board as A&S receives direction from the County.
  - b. Mr. Anderson reported that work continues on the set of plans for Hidden Meadow, Sections 9 and 14.
  - c. Mr. Anderson next reported that the Hidden Meadow, Sections 10 and 12, WS&D work by C. E. Barker, Ltd. ("Barker") is ongoing.
  - d. Mr. Anderson then reported that work continues on the set of plans for Hidden Meadow, Section 11.
3. **Bavaria.** Mr. Anderson reported no change during the past period regarding the detention pond.
4. **Evergreen.** Mr. Anderson reported that work is ongoing at the Evergreen Villas, Section 2, WS&D, with Barker and requested Board concurrence to Barker's Pay Application No. 4 in the amount of \$59,222.94 for Evergreen Villas, Section 2, WS&D.
  - a. Mr. Anderson next reported that work is ongoing at Evergreen Villas, Section 3 and East Little York Road WS&D with Principal Services, Ltd.
5. **Facility and Utility Projects.**
  - a. **Water Plant No. 1 ("WP No. 1").** Mr. Anderson reported no changes during the past period and that the recoating of Water Plant No. 1 Ground Storage Tank ("GST") No. 1 by CFG Industries, LLC ("CFG") is currently on hold until the issues with GST No. 2 are resolved.

- b. Mr. Anderson next reported that Rehabilitation of GST No. 2 project at WP No. 1 has commenced. Mr. Anderson presented CFG Pay Application No. 1 in the amount of \$18,000 for the Rehabilitation of GST No. 2 at WP No. 1 and recommended payment of same. Mr. Anderson added that the center pier is being removed and A&S is working with the geotechnical sub-consultant on a recommendation for subgrade improvements.
- c. 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.
- d. Out-of-District Service. Mr. Anderson had nothing new to report.
- e. Status of Water and Sewer Analysis. Mr. Anderson reported no change during the past period and that A&S evaluated the requirements of current and future development in Parkway and the District. Mr. Anderson went on to report that A&S received an updated projection from Parkway's Engineer and A&S has updated the projections accordingly.
- f. SCM. Mr. Anderson reported that construction activities for the Tidwell Regional Detention Pond with G. W. Phillips are complete and A&S recommends the District's maintenance of the Tidwell Regional Detention Pond by Stuckey's Contract Services. Mr. Radcliffe did not recommend the Board take action on approving the contract for maintenance of the Tidwell Regional Detention Pond at this time, but recommended the Board accept the Tidwell Regional Detention Pond for maintenance purposes.
- g. The Vireo. Mr. Anderson reported no change during the past period. Mr. Anderson reported that A&S and the District Operator provided comments to the construction plans and the Attorney is working with The Vireo on a reimbursement agreement.
- h. Series 2018 Bond Application Report. Mr. Anderson reported that preliminary work on the 2018 Bond Application Report has commenced. Mr. Radcliffe indicated that an amount of \$7,195,000 should be requested.
- i. Emergency Preparedness Plan ("EPP"). Mr. Anderson reported that A&S is reviewing the EPP and will inform the Board of necessary changes.
- j. Rate Study. Mr. Anderson reported that the Study Rate is on hold until after the May 5, 2018 Operations & Maintenance Tax Election.
- k. Mr. Ainsworth reported that an application for service to a service station and a deposit check were received for property along C. E. King Parkway near the King Parkway Subdivision and requested the Board's authorization to commence a feasibility study.
- l. Next, Mr. Ainsworth reported regarding clearing of a tract of land on C. E. King Parkway which is being prepared for sale for storage of flooded cars on an interim basis.

- m. Dinh Ho, the Sheldon Independent School District ("SISD") engineer, indicated that SISD will be receiving water from the City and would like to purchase sewer capacity from the District. Mr. Ainsworth indicated that he has not received a request from SISD.

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

- a. concurred with Double Oak Pay Application No. 7 in the amount of \$25,861.50 for the Hidden Meadow Detention Pond Excavation and Mass Grading;
- b. concurred with Barker's Pay Application No. 4 in the amount of \$59,222.94 for Evergreen Villas, Section 2, WS&D;
- c. approved CFG Pay Application No. 1 in the amount of \$18,000 for the Rehabilitation of GST No. 2 at WP No. 1 Project;
- d. authorized A&S to commence the feasibility study for the service station along C. E. King Parkway near the King Parkway Subdivision; and
- e. accepted the Tidwell Regional Detention Pond for maintenance purposes and accepted a deed for such property.

Mr. Blitch 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 "I."

- a. Mr. Bellamy reported that the District currently has 2,288 connections.
- b. Mr. Bellamy reported that the District has accounted for 89.8% of the water pumped by billing to the District's customers during the prior month.
- c. Mr. Bellamy reported that the percent of design capacity at the WWTP during the prior month was 87.2% and there was one excursion at the WWTP.
- d. Mr. Bellamy reported that a total of 44 taps have been installed to-date in 2018.
- e. Mr. Bellamy presented the Preventative Maintenance Summary, a copy of which is attached to the Operator's Report.
- f. Mr. Bellamy presented the Write-Off List dated January 26, 2018, a copy of which is attached to his report, and reported fourteen (14) accounts totaling \$1,985.89.
- g. Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due February 21, 2018, is attached to his report.

Upon a **motion** by Director Flight, seconded by Director Tankersley, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, and authorized write-offs and terminations.



**ATTORNEY'S REPORT**

1. The Board then discussed attendance at the Association of Water Board Directors ("AWBD") Spring Breakfast and AWBD Summer Conference. Upon a **motion** by Director Primeaux, seconded by Director Tankersley, after full discussion and with all Directors present voting aye, the Board authorized all Directors to attend the AWBD Spring Breakfast, and AWBD Summer Conference in San Antonio, Texas, on June 21 through June 24, 2018, on behalf of the District.
2. Mr. Barner reported that Senate Bill 625, 85<sup>th</sup> Texas Legislature, requires the implementation of a Special Purpose District Public Information Database. Mr. Barner explained that the Texas State Comptroller's (the "Comptroller") office is creating the required database and is, therefore, requiring the annual filing of certain financial and tax-related information by all Special Purpose Districts. Mr. Barner noted that such information must be filed with the Comptroller annually by May 1, 2018.

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

**SIGNED, PASSED and APPROVED** this the 21<sup>st</sup> day of March, 2018.

  
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Secretary, Board of Directors

**EXHIBITS:**

- A - Patrol Service Report
- B - Joint Facilities Report and Proposal for Engineering Services (RWWTP Expansion to 1.45 MGD)
- C - Bookkeeper's Report and Investment Report
- D - Tax Assessor-Collector Report
- E - Order Determining Ad Valorem Tax Exemptions
- F - Resolution Authorizing Petition Challenging Appraisal Records
- G - Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes Engineer's Report
- H - Engineer's Report
- I - Operator's Report