

**GREENWOOD UTILITY DISTRICT
PARKWAY UTILITY DISTRICT**

MINUTES OF JOINT BOARDS OF DIRECTORS MEETING

NOVEMBER 28, 2018

The Boards of Directors (the "Boards" or "Directors") of Greenwood Utility District ("Greenwood") and Parkway Utility District ("Parkway") (collectively, the "Districts") met in special joint session, on Wednesday, November 28, 2018, at 6:30 p.m., at Greenwood's office located at 11702A Tidwell Road, Houston, Texas, 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 Greenwood and Parkway Boards, respectively, to-wit:

Billy O'Neill	President
Gary Flight	Vice President
John Wisener	Secretary
Robert L. Primeaux	Assistant Secretary
David Alamia	Director

Brenda McNeil	President
Alphonso P. Rettig, Jr.	Vice President
Jennifer Balderas	Secretary
Ron Everhart	Assistant Secretary
Gloria M. Woods	Director

All members of the Boards were present, except for Director Wisener for Greenwood and Director Balderas for Parkway. Also attending were Bradley Jenkins and Kaci Schlachter of Jones|Carter ("Parkway Engineer" or "J|C"); James R. Ainsworth, Ronald D. Anderson II and Faith Tolson of A&S Engineers, Inc. ("Greenwood Engineer" or "A&S"); Charlie Chapline and Johnny Bellamy of Municipal District Services ("Operator" or "MDS"); Anthony Lasky of Municipal Accounts & Consulting L.P. ("Greenwood Bookkeeper" or "MAC"); Diane Bailey of McLennan & Associates, L.P. ("Parkway Bookkeeper"); Gary Syzek of Systems Project Management; and Elliot M. Barner, attorney, and Diane F. Brewer, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP").

The Presidents, after finding that the notices of the meeting were posted as required by law and determining that a quorum of their respective Board of Directors was present, called the meeting to order and declared it open for such business as may come before it.

Public Comment

The Presidents then opened the meeting to public comment. As no public comments were offered, the Presidents instructed the Boards to proceed with the agenda.

Regional Wastewater Treatment Plant ("WWTP")

Mr. Lasky first introduced himself and presented the draft budget for the WWTP for fiscal year ending ("FYE") December 31, 2019 (the "WWTP Budget"), a copy of which is attached hereto. Mr. Lasky and Ms. Bailey went on to discuss the process for preparing the WWTP Budget, including the information provided by the Districts' consultants for such budget and the process for estimating the Districts' revenues and expenses for same. Mr. Barner added that the WWTP Budget must be adopted at the Districts' next regular Board meetings and that should anyone have any additional questions or comments to such budget that he/she contact Mr. Lasky and Ms. Bailey.

Messrs. Bellamy and Chapline then presented the Operator's Report, a copy of which is attached hereto, and presented photographs of debris that flows into the WWTP. Mr. Bellamy explained that such debris is comprised of wipes, and other inorganic material that clog the WWTP's fine screen (the "Screen"). Mr. Bellamy reminded the Boards that the Screen is intended to prevent such debris from binding and damaging pumping and other equipment at the WWTP. Mr. Bellamy explained that while the increase of debris flowing into WWTPs is an industry-wide problem, Parkway and Greenwood appear to have a higher amount of such debris being deposited in the Districts' respective collection systems (the "Systems") and that the Screen binds up more frequently than those at other WWTPs. Mr. Bellamy added that MDS has discussed the issue with the Screen's manufacturer in order to determine if further modifications might be made to minimize the frequency of the Screen's malfunctions. Discussion then ensued about the various types of inorganic material and debris, particularly certain towels used by mechanics, auto shops and other commercial customers. Mr. Bellamy stated that MDS is looking at such customers within both Districts to determine where such towels might be entering the Systems.

Mr. Jenkins entered the meeting at this time.

Director O'Neill asked for the Boards and consultants to consider options for making the Districts' customers aware of the damages such debris causes the Systems and the WWTP, including distributing fliers in the Districts' customers' water bill. In response to a question from Director Everhart, Mr. Anderson stated that these issues are being taken into consideration for design of a new fine screen as part of the WWTP Expansion Project.

Mr. Anderson then updated the Boards on Greenwood's Tidwell Lakes Wastewater Force Main Project and indicated that such project should be complete by the end of the year. Mr. Anderson reminded the Boards that such project will divert wastewater flow from the WWTP to the Tidwell Lakes WWTP in order to reduce the amount of such flow to the WWTP. In response to a question from Mr. Jenkins, Mr. Anderson stated that initially, 200,000 gallons per day of Greenwood's wastewater will be pumped to the Tidwell Lakes WWTP and the amount of such wastewater will increase over the course of approximately two (2) months to 250,000 gallons per day.

Mr. Anderson went on to state that he had been discussing the WWTP Capacity Lease Agreement between the Districts with Mr. Jenkins and that such lease needs to be

amended to include payments for Greenwood's use of Parkway's WWTP capacity for three (3) more months.

Mr. Ainsworth entered the meeting at this time.

Mr. Anderson next presented a map of the poorly drained areas and reported that Wetlands Professional Services is finishing its report on the management of identifying poorly draining areas (the "Report"). Mr. Anderson reported that the Report concludes that the poorly drained areas near the WWTP are not wetlands within the jurisdiction of the Army Corps of Engineer. Mr. Anderson reported that he expects the Report to be finalized in time for Parkway's meeting on December 18, 2018 and Greenwood's meeting on December 19, 2018.

Mr. Anderson reported that preliminary design of the WWTP is on schedule and that he will be reviewing such design with Mr. Jenkins before the Districts' respective December 18, 2018 and December 19, 2018 meetings. Mr. Anderson went on to report that clearing, grubbing and environmental sampling will be ready to advertise at the beginning of the second (2nd) quarter of 2019.

Mr. Jenkins went on to state that one (1) item currently under review by the Districts' engineers is what fine screen will be purchased for the expanded WWTP. Mr. Jenkins added that options for such screen will be discussed further with the Boards after A&S and J|C have completed their review.

In response to a request from Mr. Barner, Mr. Anderson reviewed the route of the Tidwell Lakes Force Main that extends from Greenwood's Hidden Meadow Subdivision to the Tidwell Lakes WWTP.

Mr. Barner then reported the Amended and Restated WWTP Agreement has been provided to the Districts' Boards and consultants and that he has reviewed certain comments and is waiting on additional comments to such agreement from Directors and consultants. Mr. Barner reminded the Boards and consultants to contact him should they have any questions or comments to such agreement. Mr. Jenkins further reminded the Boards that neither District could submit their completed Bond Application Reports to the Texas Commission on Environmental Quality until such agreement is finalized.

Surface Water Transmission Facility ("SWTF")

Mr. Lasky then reviewed the SWTF budget for FYE December 31, 2019 (the "SWTF Budget"), a copy of which is attached hereto. Mr. Lasky and Ms. Bailey went on to discuss the process for preparing the SWTF Budget, including the information provided by the Districts' consultants for such budget and the process for estimating the Districts' revenues and expenses for same. Mr. Barner added that the SWTF Budget must be adopted at the Districts' next regular Board meetings and that should anyone have any additional questions or comments to such budget that he/she contact Mr. Lasky and Ms. Bailey.

Next, Mr. Bellamy updated the Boards on the SWTF operations and Greenwood's Ground Storage Tank No. 1 ("GST 1") recoating project. Mr. Bellamy went on to explain that due to Parkway's Water Plant Improvement Project, such water plant is not currently operating and that as a result, Parkway is receiving water through the Districts' interconnect. Mr. Anderson added that he hopes to have GST 1 in-service by mid-December. Extensive discussion ensued regarding the use of surface water received from the City of Houston (the "City"). In response to questions from the Boards, Messrs. Bellamy and Chapline further explained that the existing SWTF is unable to pressurize the surface water that the Districts purchase from the City for extended periods of time and that such water has to be re-pressurized through the District's respective water plants.

Mr. Anderson then presented the Proposal for Professional Engineering Services to Upgrade the Tidwell Road Surface Water Line Road (the "Proposal"). Messrs. Anderson and Barner then reminded the Boards that such line has to be enlarged to 16" in order to receive the additional surface water the Districts will be purchasing from the City. Mr. Anderson next reviewed copies of correspondence that had previously been provided to the Boards related to the City's conditions for purchasing additional surface water, including the requirement that such line be enlarged and that the City's impact fees be paid no later than July 5, 2019. Messrs. Barner and Jenkins explained that they had previously provided the Parkway Board with the Proposal at Parkway's November 20, 2018 Board meeting for review prior to the Districts' joint meeting and stated that they recommended approval of the Proposal.

Upon a **motion** by Director Alamia, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Greenwood Board approved the Proposal.

A discussion next ensued between the Parkway Board and Messrs. Barner and Jenkins regarding the Proposal. It was the consensus of the Parkway Board that it needed further time to review the Proposal prior to approval.

Harris County Tidwell Road Widening Project

Mr. Barner reminded the Boards that Harris County (the "County") required an easement from the Districts out of the WWTP site as part of the widening of Tidwell Road and that the County had communicated acceptance of the Districts' counter-offer. Mr. Barner added that he would be working with the County to finalize such easement and provide an update at the Districts' respective December 18, 2018 and December 19, 2018 meetings. Mr. Anderson then reported the County anticipates advertising the project in the near future.

Next Meeting Date

Mr. Barner asked the Boards to provide him with dates for the next quarterly joint meeting. Those in attendance agreed that the next quarterly joint meeting should be scheduled for February 27, 2019, at 6:30 p.m. at the Parkway Administration Building.

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

PASSED AND APPROVED this the 27th day of February, 2019.

GREENWOOD UTILITY DISTRICT

By: Robert Remy
Assistant Secretary, Board of Directors