

GREENWOOD UTILITY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 20, 2019

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, March 20, 2019, 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:

<i>Vacant</i>	President
Gary Flight	Vice President
<i>Vacant</i>	Secretary
Robert L. Primeaux	Assistant Secretary
David Alamia	Director

All members of the Board were present. Also attending were Anthony Lasky of Municipal Accounts & Consulting L.P. ("Bookkeeper" or "MAC"); Esther Shaver of Assessments of the Southwest ("Tax Assessor/Collector" or "ASW"); 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" or "Blich"); Sergeant Terry Ganey of Harris County (the "County") Constable's Office, Precinct No. 3 (the "Constable" or "Precinct 3"); Elliot M. Barner and John Thomas Foster, attorneys, and Diane F. Brewer, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); and all persons on the attached Attendance Roster.

The Vice 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 Vice President opened the meeting to public comment.

Mary O'Neill asked whether or not the chemical fire at the ITC Terminal located in Deer Park affected the District. Director Alamia updated those in attendance that the fire had been extinguished at approximately 3:00 a.m. this morning and that the information available does not show levels beyond the threshold that makes air quality dangerous.

In response to a question from Ms. O'Neill, Director Alamia stated that Greenwood Community Safety Group meetings have been postponed until after the May 4, 2019 Directors Election.

In response to a question from Judy Sutton, Mr. Barner explained that the Board's meeting minutes are approved by the Board at the following month's Board meeting and that once they are approved, they are then posted to the District's website (the "Website"). Therefore,

the February 27, 2019 meeting minutes would be available on the Website after the March 20, 2019 Board meeting.

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

MINUTES

The Board then considered approval of the minutes of the special meeting of February 20, 2019 and the regular meeting of February 27, 2019. Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the minutes of the special meeting of February 20, 2019, as presented, and the regular meeting of February 27, 2019, subject to certain corrections.

TAX ASSESSOR-COLLECTOR'S REPORT

The Tax Assessor-Collector's Report for February 2019 was next presented by Ms. Shaver, a copy of which is attached hereto as Exhibit "A."

Ms. Shaver reported that 86.81% of the 2018 taxes have been collected as of February 28, 2019.

Ms. Shaver next reported that she received and is currently working on the correction tax roll from the Harris County Appraisal District ("HCAD") regarding property in the Tidwell Lakes Subdivision ("Tidwell Lakes") that had been erroneously included on a supplemental tax roll for the 2017 tax year. Mr. Barner reported that a notice concerning the Tidwell Lakes 2017 taxes and a sample HCAD letter have been published on the Website.

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

Mr. Barner next reminded the Board that last month he had presented: a) the Order Determining Ad Valorem Tax Exemptions; b) Resolution Implementing Penalty on 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes; and c) Resolution Authorizing Petition Challenging Appraisal Records. Mr. Barner reviewed the purposes of such orders and resolutions and recommended that such orders and resolutions be approved.

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 1752 through 1756 from the Tax Account; 3) approved the Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "B"; (4) approved the Resolution Authorizing Petition Challenging Appraisal Records, a copy of which is attached hereto as Exhibit "C"; and 5) adopted the Resolution Implementing Penalty on 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "D."

OFS SOLID WASTE ("OFS") COLLECTION REPORT

Mr. Barner reported that RBAP had added an agenda item for OFS Solid Waste so that OFS is able to provide a monthly report on collection activities within the District. Mr. Barner added that RBAP would reach out to OFS to ensure their attendance at future Board meetings.

CONSTABLE'S REPORT

Sergeant Ganey presented and reviewed with the Board the Patrol Service Report for February 2019, a copy of which is attached hereto as Exhibit "E."

Sergeant Ganey first reported that the cost to add a fourth (4th) deputy to the Interlocal Agreement for Law Enforcement Services is \$69,165.

At this time, Sergeant Ganey exited the meeting.

DETENTION POND MAINTENANCE REPORT

Mr. Stuckey presented the Detention Pond Maintenance Report, a copy of which is attached hereto as Exhibit "F."

Regarding the Bavaria Subdivision's ("Bavaria") detention pond, Mr. Stuckey first reported that such pond continues to perform well as a result of the seeding and fertilization performed last Fall. Mr. Stuckey discussed silt build-up in the south end of the pond that should be cleaned in the coming months and noted that this project can be delayed until a later date since repairs for the other District ponds take precedence.

Regarding the Hidden Meadow Subdivision's ("Hidden Meadow") Phase I Pond, Mr. Stuckey reported that in the past month, a large amount of trash, including a boat, has been dumped into such pond. Mr. Stuckey also recommended removal of a willow tree along a portion of such pond's boundary near a property owner's fence. Mr. Stuckey added that he has no concerns regarding such pond's performance. Mr. Stuckey presented a proposal in the amount of \$1,900, a copy of which is attached to his report, to remove and dispose of the large trash debris and boat and tree removal at the homeowner fence line. A discussion ensued regarding removal of the boat and whether or not Harris County Precinct One would remove such boat.

Regarding Hidden Meadow's Phase II Pond, pictures of which are enclosed with the report, Mr. Stuckey then reported that such pond requires repair as a result of a sinkhole and from damages made by all-terrain vehicles ("ATVs"), copies of which are attached to his report. Mr. Stuckey then discussed moving forward with posting no trespassing signs at the Hidden Meadow's Phase II Pond. Mr. Stuckey noted that approximately \$1,000 was budgeted for debris removal from such pond.

Regarding Tidwell Road Regional Detention Pond, Mr. Stuckey reported that the first phase of such pond is in excellent shape. Mr. Stuckey also reported that construction to expand such pond is underway and Stuckey's is working with the contractor to ensure everything is completed to design standards before such pond is taken over by the District.

Mr. Stuckey went on to explain that the sinkholes identified in his report are the most urgent matter and stated that he will present a proposal for repairing such sinkholes at the April 17, 2019 Board meeting.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the proposal for the Hidden Meadow Phase I Pond, subject to receipt of a Form 1295 Certificate of Interested Parties.

FINANCIAL ADVISOR'S REPORT

Mr. Blich next presented a Homestead Exemption Study for those residential property owners that over 65 or disabled, a copy of which is attached as Exhibit "G." Mr. Blich next asked whether the Board wished to further discuss the previously presented General Fund History and Water and Sewer Rate Study that he presented at the February 27, 2019 Board meeting. A brief discussion ensued and it was the consensus of the Board to wait until after the May 4, 2019 Directors Election to consider any changes to water and sewer rates.

Ms. Shaver 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 as Exhibit "H." 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.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, 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 7664 through 7704 from the General Fund;
- b. authorized payment of checks numbered 1043 through 1045 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2180 through 2192 from the Regional Wastewater Treatment Plant (the "RWWTP") Fund; and
- d. authorized payment of checks numbered 4097 through 4102 from the Surface Water Facilities Fund.

ENGINEER'S REPORT

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

Tidwell Lakes

Mr. Ainsworth reported that Far East Land, Ltd. (the "Developer") has hired a contractor to pave the streets in Sections Three (3) and Six (6).

Regarding the status of the annexation of Sections Three (3), Five (5) and Six (6) (the "Unannexed Sections"), Messrs. Anderson and Barner reported that the Developer has not yet executed such documents and returned them to RBAP for submission to the City so that the City could provide the requisite consent to such annexation.

Mr. Anderson then reported that construction activities for the Tidwell Lakes Force Main work with Bay Utilities, LLC ("Bay") are ongoing and presented Pay Application No. 4 in the amount of \$21,600. Mr. Anderson went on to report that construction of the connection of the Force Main at the Tidwell Lakes Wastewater Treatment Plant ("TLWWTP") has been completed.

Hidden Meadow (180 Acres)

Regarding the Backslope Interceptor and Outfall Project, Mr. Anderson reported that construction activities to address the additional punch-list items continue. Mr. Anderson added that the County's inspection will follow completion of work.

Mr. Anderson next reported that the Engineer has received comments from the City and comments to the plans for water, sewer and drainage ("WS&D") in Hidden Meadow, Section 11.

Mr. Anderson then reported that the Notice to Proceed for construction of WS&D in Hidden Meadow, Section 14, was issued for March 25, 2019.

Miscellaneous Engineering Projects and Requests for Service

Regarding the Vireo Apartments, LP project ("Vireo"), Mr. Anderson reported that A&S will periodically observe construction activities on behalf of the District. Mr. Anderson went on to report that Stuckey's has been notified that construction has begun on Phase II of the Tidwell Regional Pond and that Stuckey's will seed the Tidwell Regional Detention Pond upon such pond's completion.

Mr. Anderson then reported that A&S has started design of upgrades to Water Treatment Plant No. 2.

Harris County Flood Control District (HCFCD)

Mr. Anderson next update the Board on the HCFCD's 2018 Bond Program Project. Mr. Anderson reported that the full drainage report is under review by A&S. Mr. Anderson also reported that A&S requested input for the drainage models used in the drainage reports to analyze the data. Mr. Anderson stated that as soon as the information is finalized and ready for presentation to the public, it will be presented to the Board.

JOINT FACILITIES REPORT

Regarding the RWWTP Agreement (the "Agreement"), Mr. Anderson reported that further discussion between the District and Parkway Utility District ("Parkway") is pending subject to the review of the Agreement by Parkway's new general counsel. Mr. Anderson reminded the Board that the Agreement must be approved before the BARs for the District and Parkway can be submitted to the Texas Commission on Environmental Quality (the "TCEQ") since both BARs contain a request for funding the RWWTP Expansion Project.

Mr. Anderson next reported that some erosion has occurred around the RWWTP Outfall and A&S' investigation of the slope failure near the RWWTP Outfall continues. Mr. Anderson stated that the damage appears to be caused by the instability of the soil in the area. Mr. Anderson recommended televising the outfall pipe to confirm there is no issue with the pipe and noted this is a shared facility with Parkway, so approval by both districts is necessary.

Regarding the status of the RWWTP's design, Mr. Anderson reported that A&S continues work on such design. Mr. Anderson next reported that the site clearing, grubbing and detention design is being revised according to the County's comments.

Mr. Anderson reported that a minor amendment to the RWWTP's discharge permit has been submitted to the TCEQ. Mr. Anderson also reported that additional information was requested and provided to the TCEQ pertaining to industrial facilities in the area.

Regarding the status of projects related to the surface water purchased from the City, Mr. Anderson reported that design of the Greenwood/Parkway Surface Water Line Upgrade along Tidwell Road is ongoing. Mr. Anderson also reported that A&S met with the City on January 16, 2019 to discuss design alternatives and future maximum capacity through the 16" water line that is necessary to receive the additional surface water requested from the City by the District and Parkway. Mr. Anderson added the A&S awaits further correspondence from the City as design continues and noted that an extension for payment of City-mandated Impact Fees may be necessary.

Regarding the County's widening of Tidwell Road, Mr. Anderson explained that A&S is in the process of scheduling a meeting with the County's engineer to discuss the status of an agreement for the replacement of certain water and sewer lines that need to be moved as a result of such widening. Mr. Anderson reported that the County continues preconstruction activity for the project.

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 approved Pay Application No. 4 to Bay in the amount of \$21,600 for the Tidwell Lakes Force Main.

OPERATOR'S REPORT

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

Mr. Bellamy first reported that the District currently has 2,683 connections.

Mr. Bellamy then reported that the District has accounted for 91.4% of the water pumped by billing to the District's customers during the prior month.

Mr. Bellamy next reported that the percentage of design capacity used at the RWWTP during the prior month was 100.6% and there was one (1) excursion.

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

Mr. Bellamy next reported that a total of 19 taps have been installed during the prior month and a total of 50 taps have been installed to-date in 2019.

Mr. Bellamy then presented the Write-Off List dated March 1, 2019, a copy of which is attached to the Operator's Report.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due March 20, 2019, is attached to his report.

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.

MISCELLANEOUS MATTERS

Mr. Barner reported that information about solid waste collection has been published on the Website. Mr. Barner also reported that information regarding county-wide polling locations for the District's 2019 Directors Election has been posted on the Website and noted that such polling locations are subject to change. Director Alamia stated that he asked Shannon Waugh to post the monthly Patrol Reports on the Website.

ADMINISTRATIVE MATTERS

Mr. Barner next asked if the Board wanted to further consider the draft of the Amended Ethics Policy handed out at the February 27, 2019 Board meeting. It was the consensus of the Board to wait until after the May 2019 Directors Election to further consider such policy.

Discussion then ensued regarding renewal of the District's insurance policy with McDonald & Wessendorff Insurance ("McDonald"), a copy of which is attached hereto as Exhibit "K," including whether or not the Board wished to purchase cyber liability coverage. A brief discussion ensued and it was the consensus of the Board to authorize RBAP to request a quote for such coverage and present such quote at the April 16, 2019 Board meeting.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board agreed to renew the policy with McDonald with the base amount of the premium of \$23,377.00 and request a quote for cyber liability insurance.

ATTORNEY'S REPORT

Mr. Barner stated that items related to the District's use of capacity in the TLWWTP through the District's Tidwell Lakes Force Main will be discussed in closed session.

Mr. Barner then presented and reviewed the March 2019 Monthly Legislative Update and reviewed new legislation affecting water districts enacted in the 86th Texas Legislative Session.

ELECTION AGENDA

Mr. Barner distributed a map of the May 2019 early voting polling locations and answered questions from the Board and members of the public.

Members of the public exited the meeting at this time.

EXECUTIVE SESSION

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the Vice President called the executive session to order at 8:20 p.m. to discuss matters within the attorney/client privilege. Present for the executive session were the Board of Directors, Messrs. Barner, Foster, Ainsworth, Anderson and Bellamy, and Ms. Brewer.

RECONVENE IN OPEN SESSION


As of 9:37 p.m., the Vice President declared the Executive Session was ended and the public session was resumed.

TIDWELL LAKES FORCE MAIN

Mr. Foster then reviewed with the Board the terms of operation of the Tidwell Lakes Force Main Agreement as discussed in closed session. Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved such agreement.

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

SIGNED, PASSED and APPROVED this the 24th day of April, 2019.



~~Assistant Secretary~~, Board of Directors
Vice President,

EXHIBITS:

- A - Tax Assessor-Collector Report
- B - Order Determining Ad Valorem Tax Exemptions
- C - Resolution Authorizing Petition Challenging Appraisal Record
- D - Resolution Implementing Penalty on 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- E - Patrol Service Report
- F - Detention Pond Maintenance Report
- G - Homestead Exemption Study
- H - Bookkeeper's Report and Investment Report
- I - Engineer's Report/Correspondence Items
- J - Operator's Report
- K - Insurance Renewal Proposal