

GREENWOOD UTILITY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

APRIL 24, 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, April 24, 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"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("MGSB" or "Auditor"); Rita Coziar and Gilbert Guerra of OFS Solid Waste Services, Inc. ("OFS"); 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. As no 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 regular meeting of March 20, 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 regular meeting of March 20, 2019, as presented.

AUDIT REPORT

Mr. Toldan next distributed and discussed the District's draft audit report for the fiscal year ended December 31, 2018. Upon a **motion** by Director Alamia, seconded by Director Primeaux, after full discussion and with all Directors present voting aye, the Board approved the audit report as presented, subject to a ten (10) day comment period for Directors and consultants to review and provide any additional comments.

TAX ASSESSOR-COLLECTOR'S REPORT

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

Ms. Shaver reported that 88.86% of the 2018 taxes have been collected as of March 31, 2019.

Ms. Shaver then presented the Delinquent Tax Report, a copy of which is attached to her 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 Tax Assessor-Collector's Report, as presented; and 2) authorized payment of checks numbered 1757 through 1788 from the Tax Account.

Mr. Toldan exited the meeting at this time.

OFS SOLID WASTE ("OFS") COLLECTION REPORT

Ms. Coziar first presented information related to solid waste collection complaints received from District customers in the past month and resolution to such complaints. Director Alamia complimented OFS for its promptness in addressing such complaints.

Ms. Coziar then distributed general information to the Board that has been published on the District website, including information regarding the differences between the types of waste collected by OFS pursuant to its contract with the District and descriptions of household waste and bulk waste. Director Flight inquired about whether the District should provide such information in customers' bills on annual basis. A discussion ensued.

Ms. Coziar requested that the Engineer and Operator provide them with updates when new connections are made within the District so that OFS can ensure that such connections are receiving services from OFS.

Mr. Barner next explained to OFS that the Operator had been contacted by a representative of Camillo Properties regarding certain service-related questions, including whether OFS could provide collection bins. A brief discussion ensued regarding such questions, including the process for amending the agreement with OFS to include bins for District customers.

Ms. Coziar and Mr. Guerra exited the meeting at this time.

FINANCIAL ADVISOR'S REPORT

Mr. Blich reported that he is drafting a Preliminary Official Statement ("POS") and upon completion, he will send the POS to Moody's for a rating.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

The Bookkeeper's Report and Investment Report, copies of which are attached hereto 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. Lasky presented the Quarterly Investment Inventory Report for the Period Ending March 31, 2019, a copy of which is attached as Exhibit "C."

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 7705 through 7753 from the General Fund;
- b. authorized payment of checks numbered 1046 through 1048 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2193 through 2203 from the Regional Wastewater Treatment Plant (the "RWWTTP") Fund;
- d. authorized payment of checks numbered 4103 through 4109 from the Surface Water Facilities Fund; and
- e. approved the Quarterly Investment Inventory Report.

ENGINEER'S REPORT

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

Tidwell Lakes

Mr. Anderson first reported that A&S received an appraisal for the Tidwell Lakes Water Plant from Van De Wiele & Vogler, Inc. and that A&S was reviewing such appraisal further.

Regarding the Tidwell Lakes Force Main, Mr. Anderson reported that as of the date of his report, 100,000 gallons per day ("GPD") of influent are being sent to the Tidwell Wastewater Utilities' ("TWWU") Wastewater Treatment Plant ("WWTP"). Mr. Anderson went on to report that flow to such WWTP will eventually increase to the amount allowable by the District's

contract with TWWU and reminded the Board that such contract reduces flow to the District's Regional Wastewater Treatment Plant ("RWWTP").

Hidden Meadow Subdivision ("Hidden Meadow")

Regarding the Backslope Interceptor and Outfall Project, Mr. Anderson reported that construction activities are complete.

Mr. Anderson next reported that the Engineer is addressing 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 WS&D construction activities in Hidden Meadow, Section 14, are ongoing.

Mr. Anderson reported that the road acceptance issues within Hidden Meadow are currently on hold due to funding concerns.

Bond Application Report No. 10 ("BAR 10")

Mr. Anderson reminded the Board that submittal of BAR 10 to the Texas Commission on Environmental Quality ("TCEQ") is subject to resolution of the RWWTP Agreement with Parkway and certain issues related to district reimbursements.

Service Requests and Out-of-District Service

Mr. Anderson then explained a recent inquiry from Skymark Development for service to property located outside the District across from the RWWTP.

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 design of upgrades to Water Treatment Plant No. 2 continues.

Harris County Flood Control District (HCFCD")

Mr. Anderson next updated the Board on the HCFCD's 2018 Bond Program Project and provided an overview of A&S's proposed revisions. In response to a question from Director Alamia, Mr. Anderson stated that he will investigate drainage along C. E. King Parkway.

In response to an inquiry of Director Alamia regarding a car lot, Mr. Barner stated that he will reach out to his contacts concerning Co-Park.

JOINT FACILITIES REPORT

Regarding the RWWTP Agreement, Messrs. Anderson and Foster reported that Parkway is interested in approving the RWWTP Agreement and inquired regarding the Directors' availability for a meeting with Parkway. Mr. Barner discussed revisions to the RWWTP Agreement and Mr. Foster indicated that a redlined RWWTP Agreement will be circulated to the Board. Mr. Foster added that although Parkway is ready to approve the RWWTP Agreement, Parkway wants to first discuss such agreement with the District.

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. Mr. Anderson reported that Parkway has approved Chief Solutions' Proposal for Post Construction TV Inspection of Outfall Pipe (the "Chief Proposal") in the amount of \$1,647, 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 the TPDES RWWTP discharge permit minor amendment was provided to the Operator and Jones|Carter for review.

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 regarding a follow-up meeting with the City on April 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 next reported that the City was amenable to the District's request for an extension through the end of the year to receive the additional surface water from the City. Mr. Anderson then reported that the City agreed to alignment of the 16" water line.

Regarding the County's widening of Tidwell Road, Mr. Anderson discussed A&S's comments to the agreement for infrastructure work prepared by the County. Mr. Anderson went on to report that the agreement was provided to the Attorney for review.

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 the Chief Proposal.

OPERATOR'S REPORT

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

Mr. Bellamy first reported that the District currently has 2,700 connections.

Mr. Bellamy then reported that the District has accounted for 88.4% 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 92.6% and there were no excursions.

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 four (4) taps have been installed during the prior month and a total of 54 taps have been installed to-date in 2019.

Mr. Bellamy then presented the Write-Off List dated March 27, 2019, a copy of which is attached to the Operator's Report.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due April 17, 2019, is attached to his report.

Mr. Bellamy went on to report that also attached to his report is the Identity Theft Prevention Program Annual Review. Mr. Bellamy reported that the District has had no issues related to this matter other than a general recommendation that the District discontinue the availability of an unprotected drop box. Discussion ensued.

Mr. Bellamy presented the 2018 Consumer Confidence Report ("CCR"), a copy of which is attached to the Operator's Report, and requested the Board's approval to distribute same, subject to the Attorney's review and approval. Discussion then ensued concerning the process for distributing the CCR. Mr. Barner stated that a URL link for the CCR should be created by Off Cinco for inclusion in customers' bills so that customers can directly access the CCR and that such link may also be included on the District website. Mr. Bellamy added that hard copies of the CCR may be obtained from the Operator upon request.

Mr. Bellamy next presented a 2019 Generator Rental Agreement – Off-Site with Neil Technical Service ("NTS"), a copy of which is attached to his report. In response to a question from Director Alamia regarding grant funding options for generator, Mr. Anderson stated that he will investigate such grant funding opportunities.

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; 2) authorized write-offs and terminations; 3) approved the Identity Theft Prevention Program Annual Review, as presented; 4) approved the distribution of the CCR, subject to the Attorneys' 15-day review and approval; and 5) approved the 2019 Generator Rental Agreement, subject to receipt of an original Form 1295 Certificate of Interested Parties.

Ms. Shaver exited the meeting at this time.

ADMINISTRATIVE MATTERS

Mr. Barner then reviewed a Cyber Liability Insurance Quote, a copy of which is attached hereto as Exhibit "F," and discussed the purpose of such coverage. Mr. Barner reported that the District has not purchased cyber liability coverage in the past, however, such coverage is popular with other water districts. A discussion ensued and it was the consensus of the Board to not accept cyber liability coverage at this time.

ATTORNEY'S REPORT

Mr. Barner next presented and reviewed the April 2019 Monthly Legislative Update and reviewed new legislation affecting water districts enacted in the 86th Texas Legislative Session. Mr. Barner updated the Board regarding Senate Bill 239 relating to the requirements for meetings of certain special districts.

In response to a question from Director Alamia, Mr. Barner explained to the Board that he had received a telephone call and email correspondence from Texas State Senator Alvarado's office requesting information regarding the District's general election date and whether the District had the authority to move its general election date. Mr. Barner reminded the Board that the District's Board of Directors adopted a resolution in 2012 that moved the District's general election date from the May uniform election date in even-numbered years to the May uniform election date in odd-numbered years (the "Election Date") and that such resolution was made after the 82nd Legislature passed Senate Bill 100, which was in response to the Federal MOVE Act. Mr. Barner further explained that such information was requested after Director Alamia had inquired whether Senator Alvarado could introduce a bill in the 86th Session to permit special purpose districts such as the District to move the uniform election dates back to the May uniform election date in even-numbered years. Mr. Barner last explained that after providing the requested information to Senator Alvarado's office, he has had no additional communications with such office.

DROUGHT CONTINGENCY PLAN (the "DCP")

Mr. Barner explained that the DCP is required to be updated and/or reviewed every five (5) years. Mr. Barner stated that filing the DCP with the TCEQ is not required, but it must be made available for inspection.

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

CONTINUING DISCLOSURE REPORT

Mr. Barner next explained that the District has an ongoing obligation to update, on an annual basis, certain financial information, as required by the District's Bond Orders for all bond issues after 1995, which information will serve to keep bondholders and other interested parties apprised of the financial status of the District. Mr. Barner then requested the Board's authorization to prepare and file such materials with the appropriate agencies, including the

TCEQ, the Texas Water Development Board ("TWDB"), the Texas Comptroller of Public Accounts (the "Comptroller") and the Electronic Municipal Markets Access website.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved unanimously to authorize the Attorney to prepare and file the required continuing disclosure materials with the appropriate agencies, including the TCEQ, TWDB and Comptroller.

GREENS BAYOU COALITION MEMBERSHIP

Next, discussion ensued regarding renewal of the District's membership in the Greens Bayou Coalition ("GBC"). The Board then discussed GBC activities.

Upon a **motion** by Director Primeaux, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board authorized renewal of the District's membership in the GBC as an Associate Member at a rate of \$1,000.

ELECTION AGENDA

Mr. Barner reported that early voting began on Monday, April 22, 2019 and that regular voting was taking place on Saturday, May 4, 2019.

Members of the public exited the meeting at this time.

In response to a question from Director Alamia, Mr. Mike Stuping of Century Communities ("Century") introduced himself to the Board. Mr. Barner summarize recent communications between Century and the District's Financial Advisor and Engineer related to the timeline for reimbursement of Century. Mr. Barner explained that his office will be having a meeting with Century and the Financial Advisor and Engineer soon to review further.

EXECUTIVE SESSION

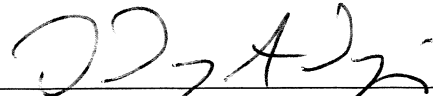
Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the Vice President called the executive session to order at 7:59 p.m. to discuss matters within the attorney/client privilege. Present for the executive session were the Board of Directors, Messrs. Barner, Foster and Anderson, and Ms. Brewer.

RECONVENE IN OPEN SESSION

As of 8:00 p.m., the Vice President declared the Executive Session was ended and the public session was resumed.

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

SIGNED, PASSED and APPROVED this the 15th day of May, 2019.



Assistant Secretary, Board of Directors

Director

EXHIBITS:

- A - Tax Assessor-Collector Report
- B - Bookkeeper's Report and Investment Report
- C - Quarterly Investment Inventory Report
- D - Engineer's Report/Correspondence Items
- E - Operator's Report
- F** - Cyber Liability Insurance Quote