

## GREENWOOD UTILITY DISTRICT

### MINUTES OF MEETING OF BOARD OF DIRECTORS

JUNE 19, 2019

The Board of Directors (the "Board" or "Directors") of Greenwood Utility District (the "District") met in regular session, at 6:30 p.m. on Wednesday, June 19, 2019, at 11702A Tidwell Road, Houston, Texas 77044, 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:

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

All members of the Board were present, except Director Alamia. Also attending were Anthony Lasky of Municipal Accounts & Consulting L.P. ("Bookkeeper" or "MAC"); Brittini Silva 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"); Rita Coziar of OFS Solid Waste Services, Inc. ("OFS"); Lieutenant Jimmy Evans of Harris County (the "County") Constable's Office, Precinct No. 3 (the "Constable" or "Precinct 3"); Ross J. Radcliffe 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.

#### ADMINISTRATIVE MATTERS

Mr. Radcliffe discussed the appointment of a new Director to complete the vacated term of John Wisener ending May 2021 and discussed his conversations with persons interested in appointment to the Board.

Christine Guerra, a resident and registered voter in the District, stated that she has resided in the District for five (5) years and discussed the importance of having an interest in the area.

#### PUBLIC COMMENT

The Vice President then 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 May 15, 2019, and the special meeting of January 23, 2018. Upon a **motion** by Director Flight, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of May 15, 2019, and the special meeting of January 23, 2018, as presented.

## TAX ASSESSOR-COLLECTOR'S REPORT

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

Ms. Silva reported that 90.64 percent of the 2018 taxes have been collected as of May 31, 2019.

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

In response to a request from Mr. Radcliffe, Ms. Silva stated that the Tax Assessor-Collector continues to monitor Tidwell Lakes' 2018 tax accounts.

Upon a **motion** by Director Primeaux, seconded by Director O'Neill, 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 1797 through 1812 from the Tax Account.

## OFS SOLID WASTE SERVICES COLLECTION REPORT

Ms. Coziar inquired if there were any garbage collection issues in the District. Director O'Neill stated that she observed and took photographs of sofas and mattresses discarded at a vacant house. Ms. Coziar stated that she would investigate.

Ms. Coziar asked the Board if she should continue attending District meetings on a monthly basis. Discussion ensued and Ms. Coziar was told to attend meetings when requested by the Board.

Delissa Jones entered the meeting at this time.

## ADMINISTRATIVE MATTERS (CONTINUED)

Mr. Radcliffe introduced Ms. Jones, a candidate for appointment to the Board. Ms. Jones stated that she resides in the Tidwell Lakes Subdivision and discussed her interest in the community and nearby area.

## **PATROL SERVICE REPORT**

Lieutenant Evans presented and reviewed with the Board the Patrol Service Report for May 2019, a copy of which is attached hereto as Exhibit "B."

Lieutenant Evans first reported that vehicular burglaries and criminal mischief increased over the past month. Lieutenant Evans also reported regarding 4-wheelers in the District's detention pond.

Lieutenant Evans recommended the public report suspicious activity to law enforcement. In response to a questions from a member of the public that was recently robbed at his residence, Lieutenant Evans asked the District resident to contact the Harris County Constable's Office.

Ms. Jones asked if law enforcement patrols the Tidwell Lakes Subdivision. Lieutenant Evans reviewed the Patrol Report and confirmed that law enforcement patrols the Tidwell Lakes Subdivision.

At this time, Lieutenant Evans exited the meeting.

## **FINANCIAL ADVISOR'S REPORT**

Mr. Blich first reported that he is seeking a bond rating from Moody's for the District's Series 2019 bonds. Mr. Blich also reported that the District's annual expense percentage is declining, however, since the District has a large tax base, a bond rating is worth pursuing.

Mr. Blich next discussed the District's reserves and noted that expenses totaling \$868,685 for the Tidwell Lakes Force Main Project will be included in the next bond issue and, as such, the District's reserves will increase.

Mr. Blich stated that since the District does not assess an operations and maintenance tax, the District must increase water and sewer rates. Otherwise, Mr. Blich stated that the District will have to decrease its expenses.

Jose Garcia entered the meeting at this time.

Mr. Blich then reviewed the Rate Study, a copy of which is attached hereto as Exhibit "C," and recommended amending the District's Rate Order to increase the residential water reflected in Case C of the Rate Study and sewer rates reflected in Case 3 of the Rate Study to provide revenues to cover increased rates for patrol services, solid waste collection, and other increased expenditures.

It was the consensus of the Board to wait until the July 17, 2019 meeting to take action on increasing water and sewer rates.

**ADMINISTRATIVE MATTERS (CONTINUED)**

Mr. Radcliffe introduced Mr. Garcia to the Board and indicated that Mr. Garcia is interested in appointment to the Board.

Mr. Radcliffe next directed the Board to consider nominations for appointment to the vacant director position. Upon a **motion** by Director Flight, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board appointed Christina Guerra as Director to complete the vacated term ending May 2021.

Mr. Radcliffe then reviewed the qualifications of Director Guerra and proceeded to administer the Oath of Office to Director Guerra.

Mr. Radcliffe directed the Board to consider electing officers for the Board. Upon a **motion** by Director Primeaux, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board approved the following slate of officers:

Gary Flight	President
Mary 'Neill	Vice President
Christina Guerra	Secretary
Robert Primeaux	Assistant Secretary
David Alamia	Director

**BOOKKEEPER'S REPORT AND INVESTMENT REPORT**

The Bookkeeper's Report and Investment Report, copies of which are attached hereto 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.

In response to a question from Mr. Radcliffe regarding the Tidwell Lakes Force Main Project, Mr. Anderson stated that a pay estimate for such project will not be presented at tonight's meeting.

Upon a **motion** by Director Flight, seconded by Director O'Neill, 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 7800 through 7852 from the General Fund;
- b. authorized payment of checks numbered 1051 through 1052 from the Capital Projects Fund;
- c. authorized payment of checks numbered 2216 through 2228 from the Regional Wastewater Treatment Plant (the "RWWTP") Fund; and
- d. authorized payment of checks numbered 4116 through 4122 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 "E."

### **Tidwell Lakes**

Mr. Anderson first reported that A&S has conducted a very limited number of service connection inspections during the past period. Mr. Anderson also reported that A&S received and reviewed an appraisal for the Tidwell Lakes Water Plant from Van De Wiele & Vogler, Inc. Mr. Anderson went on to report that based on conversations, A&S understands that the developer engaged an engineering firm for appraisals of the internal water, sewer and drainage facilities ("WS&D") as required by the Development Agreement. Mr. Anderson went on to further report that he is currently evaluating the appraisals and will communicate with Mr. Foster on June 20, 2019.

Mr. Anderson next reported that A&S is working with the Attorney and surveyor on the annexation package for Tidwell Lakes, Sections 3, 5 and 6 and noted that the City of Houston (the "City") September 1, 2019 deadline to submit requests for annexation is fast approaching.

Regarding the Tidwell Lakes Force Main, Mr. Anderson reported that work with Bay Utilities, LLC ("Bay") are complete and Bay is finalizing punch list items.

Mr. Anderson then reported that an invoice for the flow to the Tidwell Lakes Wastewater Treatment Plant ("TLWWTP") was presented and sent to the Bookkeeper and Attorney.

Mr. Anderson presented an updated letter summarizing the TLWWTP final capacity lease costs, a copy of which is attached to the Joint Facilities Report.

### **Hidden Meadow Subdivision ("Hidden Meadow")**

Regarding the Backslope Interceptor and Outfall Project, Mr. Anderson reported that the Harris County Flood Control District ("HCFCD") completed its inspection and provided a punch list of work to be completed.

Mr. Anderson next reported that the Engineer has reviewed the bids and recommended that the District concur with awarding the contract for the Hidden Meadow, Section 11, WS&D Project to Fellers & Clark, L.P. in the amount of \$460,000.00.

Mr. Anderson then reported that WS&D construction activities in Hidden Meadow, Section 14, are complete and he awaits paperwork from the developer.

Mr. Anderson reported that the County agreed to a process for Hidden Meadow, Sections 6, 13 and 15, street acceptance. Mr. Anderson also reported that A&S inspected the roadways and reviewed the County's punch list to identify items corrected by the contractor and what was damaged in the interim.

Mr. Anderson discussed an updated cost estimate for work required by the County and reported that A&S can prepare a bid package to address the deficiencies identified by the County once funds for such work are available.

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

Mr. Foster stated that the BAR 10 will be discussed in closed session.

### **Service Requests and Out-of-District Service**

Mr. Anderson reported that A&S received a deposit check from Friendswood Development ("Friendswood") for the development of an 8-acre tract located at Tidwell Road and Barker Drive. Mr. Anderson reported that A&S also received a deposit check from Skymark Development Co. ("Skymark") for an 80-acre tract along John Ralston Road and Tidwell Road.

Mr. Anderson then explained a recent inquiry from Skymark for service to property located outside the District across from the RWWTP. Mr. Ainsworth further explained the need for a feasibility study. An extensive discussion ensued regarding such property, including its location in the flood zone and its intended use.

### **Miscellaneous Engineering Projects and Requests for Service**

Regarding the Vireo Apartments, LP project ("Vireo"), Mr. Anderson reported that Vireo is moving forward with apartment construction and A&S will periodically observe construction activities on behalf of the District. Mr. Anderson also reported that Stuckey's Contract Services is monitoring the condition of the detention pond.

Mr. Anderson discussed the revised Interlocal Agreement for the Tidwell Road Widening Project and the revised cost estimate that reflects an increase of \$24,000.

Mr. Anderson presented the draft feasibility study for the gas station along C. E. King Parkway adjacent to Huntford Lane. Mr. Anderson reported that A&S and the Operator reviewed the plans and issued a comment letter. Mr. Anderson next reported that A&S awaits revised plans from the developer's engineer.

Ms. Silva exited the meeting at this time.

### **HCFCD**

Mr. Anderson next updated the Board on the HCFCD's 2018 Bond Program Project and reported that A&S awaits updated information. Mr. Anderson reported that A&S attended a kick-off walk through the additional scope of work that includes the Parkway Mobile Homes in the County drainage study.

### **Hidden Meadow, Sections 10 and 11**

Mr. Anderson then reported that the County agreed to amend the original non-standard storm sewer agreement used for the culvert crossing in Hidden Meadow, Section 8, to add two (2) additional culvert crossings in Section 10 and one (1) additional culvert crossing in Section 11.

## JOINT FACILITIES REPORT

Mr. Anderson reminded the Board that the Amended and Restated Wastewater Treatment Plant Agreement ("WWTP Agreement") with Parkway Utility District ("Parkway") must be completed and executed prior to submission of BAR 10. The Board tabled approval of the WWTP Agreement upon Parkway's approval and execution of the WWTP Agreement. Mr. Anderson explained the District's facilities and expansion of the Wastewater Treatment Plant ("WWTP") to Director Guerra.

Mr. Anderson presented an updated letter summarizing the final lease costs and percentage of capacity of the WWTP. Mr. Anderson reported that \$900,000 will be included in BAR 10.

Mr. Anderson updated the Board regarding A&S' investigation of the slope failure near the RWWTP Outfall. Mr. Anderson reported that such slope failure does not appear to be a result of previous construction and is the result of natural erosion of the banks along Greens Bayou. Mr. Anderson went on to report that heavy rainfall events have caused the bayou to erode the bend in which the outfall is located. Mr. Anderson reported that A&S will meet with HCFCD on June 20, 2019, to discuss a long term solution to the slope instability problem. Mr. Anderson added that A&S will meet with the County and Parkway's engineer and operator on June 20, 2019, to discuss the RWWTP Outfall.

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 added that RWWTP design is on schedule.

Mr. Anderson reported that A&S awaits the final TPDES RWWTP discharge permit including the minor amendment.

Mr. Anderson next reported that a meeting was held with the City on April 16, 2019, to discuss the status of the surface water increase from the City. Mr. Anderson reminded the Board that an extension for the payment of impact fees was requested and he awaits a final letter from the City. Mr. Anderson added that the deadline to pay the impact fee is July 5, 2019, unless an extension is approved by the City. Mr. Anderson also reminded the Board that the cost of the impact fee is included in BAR 10.

Regarding the County's widening of Tidwell Road, Mr. Anderson presented a revised Interlocal Agreement and cost estimate that was increased to \$24,000.

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

- 1) approved the Engineer's Report and Joint Facilities Report, as presented;
- 2) approved the total updated price for the WWTP Capacity Lease between the District and Parkway;
- 3) concurred with the developer for award of contract to Fellers & Clark, L.P. for the Hidden Meadow, Section 11, WS&D Project in the amount of \$460,000.00;

- 4) authorized A&S to proceed with a feasibility study and review of plans on behalf of the District for development of an 8-acre tract along Tidwell Road at Barker Drive, subject to receipt of an application for service from Friendswood;
- 5) authorized A&S to proceed with a feasibility study and review of plans on behalf of the District for development of an 80-acre tract along John Ralston and Tidwell Road, subject to receipt of an application for service from Skymark;
- 6) approved the Interlocal Agreement with the County for the Tidwell Road widening project, subject to amended costs;
- 7) authorized release of the feasibility study for a gas station along C. E. King Parkway adjacent to Huntford Land; and
- 8) approved the First Amendment to the Interlocal Agreement between the County and the District for the culvert crossing in Hidden Meadow, Section 8, to add two (2) additional culvert crossings in Section 10 and one (1) additional culvert crossing in Section 11.

In response to a question from an Evergreen Villas resident regarding a storm drainage study, Mr. Anderson explained that streets are used for storm drainage which is handled by the County. Mr. Ainsworth stated that the County's website shows rainfall curves and intensities and that streets are designed to carry water out of neighborhoods. Extensive discussion ensued regarding storm drainage in Evergreen Villas.

Mr. Blich 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 "F."

Mr. Bellamy first reported that the District currently has 2,723 connections.

Mr. Bellamy then reported that the District has accounted for 102.2% 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 95.2% 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 41 taps have been installed during the prior month and a total of 95 taps have been installed to-date in 2019.

Mr. Bellamy then presented the Write-Off List dated May 28, 2019, a copy of which is attached to the Operator's Report.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due June 19, 2019, is attached to his report.



Mr. Bellamy next reported that he awaits parts for repair of the HSI blower no. 2.

Mr. Bellamy then reported that he contacted Director Flight after the May 15, 2019 meeting regarding an out-of-service blower and Director Flight approved repair of such blower.

Discussion ensued regarding the lift station located outside of the District on C. E. King Parkway that is operated by the District. Mr. Anderson stated that such lift station is deficient and expensive to repair.

Upon a **motion** by Director Primeaux, seconded by Director O'Neill, 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; and 3) approved repair of the lift station located outside of the District on C. E. King Parkway.

#### **HARRIS-GALVESTON SUBSIDENCE DISTRICT WATER WISE PROGRAM**

Mr. Radcliffe reported that there are no schools in or around the District available for sponsorship in the Water Wise Program.

#### **ATTORNEY'S REPORT**

Mr. Radcliffe reported that the final Legislative Update enacted in the 86th Texas Legislative Session will be presented to the Board in July or August 2019.

#### **EXECUTIVE SESSION**

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the executive session to order at 8:53 p.m. to discuss matters within the attorney/client privilege. Present for the executive session were the Board of Directors, Messrs. Radcliffe, Foster, Ainsworth and Anderson, and Ms. Brewer.

#### **RECONVENE IN OPEN SESSION**

As of 9:21 p.m., the President declared the Executive Session was ended and the public session was resumed.

Upon a **motion** by Director Guerra, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board authorized RBAP to negotiate with Eli Sasson's attorney as discussed in closed session.

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

**SIGNED, PASSED and APPROVED** this the 17th day of July, 2019.



Secretary, Board of Directors

**EXHIBITS:**

- A - Tax Assessor-Collector Report
- B - Patrol Service Report
- C - Rate Study
- D - Bookkeeper's Report and Investment Report
- E - Engineer's Report/Correspondence Items
- F - Operator's Report