

# GREENWOOD UTILITY DISTRICT

## MINUTES OF MEETING OF BOARD OF DIRECTORS

JULY 17, 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, July 17, 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	President
Mary O'Neill	Vice President
Christina Guerra	Secretary
Robert L. Primeaux	Assistant Secretary
David Alamia	Director

All members of the Board were present, except Director Primeaux. 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 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"); Brian Trachtenberg and Anna Phillips of Pogach & Trachtenberg PLLC; 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 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

Mr. Barner introduced himself to those members of the public in attendance and opened the meeting to public comment. As no such comments were offered, Mr. Barner recommended that the Board proceed with the agenda.

### MINUTES

The Board then considered approval of the minutes of the regular meeting of June 19, 2019. Upon a **motion** by Director O'Neill, seconded by Director Guerra, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of June 19, 2019, as presented.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

The Tax Assessor-Collector's Report for June 2019 was next presented by Ms. Shaver, a copy of which is attached hereto as Exhibit "A." Ms. Shaver reported that 91.21 percent of the 2018 taxes have been collected as of June 30, 2019.

Ms. Shaver presented the Delinquent Tax Report, a copy of which is attached to her report. In response to a question from Mr. Barner, Ms. Shaver updated the Board regarding certain tax accounts for property within the annexed portions of the Tidwell Lakes Subdivision ("Tidwell Lakes") that had been erroneously billed for the 2017 tax year, which was the result of a Harris County Appraisal District error.

Upon a **motion** by Director O'Neill, seconded by Director Guerra, 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 1813 through 1821 from the Tax Account, with checks numbered 1694, 1699, 1701 and 1705 being voided.

## **PATROL SERVICE REPORT**

Sergeant Ganey presented and reviewed with the Board the Patrol Service Report for June 2019, a copy of which is attached hereto as Exhibit "B." Sergeant Ganey first reported that 11 vehicular burglaries occurred in June 2019 and that the overall number of crimes reported to the Harris County Constable's Office have increased.

Upon a **motion** by Director Guerra, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board approved the Patrol Service Report.

At this time, Sergeant Ganey exited the meeting.

## **FINANCIAL ADVISOR'S REPORT**

Mr. Blich first reported that he will submit a request from Moody's Investment Services for a rating of the District's proposed Series 2019 tax and revenue bonds.

Mr. Blich then presented a study regarding revenues generated from the District's water and sewer rates (the "Rate Study"), a copy of which is attached hereto as Exhibit "C." Extensive discussion ensued regarding the various options presented in the Rate Study. In response to a question, Mr. Blich recommended a water rate increase reflected in Case C of the Rate Study and a sewer rate increase reflected in Case 3 of the Rate Study in order to increase revenues sufficient to: 1) pay for the increased costs of patrol services, solid waste collection, and other expenditures; and 2) increase the District's operating fund reserve. Further discussion ensued and it was the consensus of the Board to take no action on the Rate Order at this time.

## **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.

Upon a **motion** by Director Guerra, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report and Investment Report, subject to a correction on page 3 of the report, and acted on the following: a) authorized payment of checks numbered 7853 through 7905 from the General Fund; b) authorized payment of checks numbered 1053 through 1054 from the Capital Projects Fund; c) authorized payment of checks numbered 2227 through 2241 from the Regional Wastewater Treatment Plant (the "RWWTTP") Fund; and d) authorized payment of checks numbered 4123 through 4127 from the Surface Water Facilities Fund.

Mr. Trachtenberg and Ms. Phillips entered the meeting at this time.

### **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 7:03 p.m. to discuss matters within the attorney/client privilege. Present for the executive session were the Board of Directors, except for Director Primeaux, Mr. Trachtenburg and Ms. Phillips, Messrs. Barner and Foster, and Ms. Brewer.

### **RECONVENE IN OPEN SESSION**

As of 7:56 p.m., the President declared the Executive Session was ended and the public session was resumed.

### **ENGINEER'S REPORT**

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

#### **Tidwell Lakes**

Mr. Ainsworth first reported that A&S has not conducted any service connection inspections during the past period. Mr. Ainsworth also reported that A&S received and reviewed an appraisal for the Tidwell Lakes Water Plant from Van De Wiele & Vogler, Inc. ("Van De Wiele") and that it is his understanding that RES Development ("RES") has engaged an engineering firm to perform appraisals of the internal water, sewer and drainage facilities ("WS&D") in Tidwell Lakes.

Regarding the annexation of Tidwell Lakes, Sections 3, 5 and 6, Mr. Ainsworth reported that RES has yet to provide the necessary annexation documents in order for the District to request that the City of Houston (the "City") consent to such annexation. Mr. Ainsworth reminded the Board that the City will not review any requests for consent for the 2019 calendar year after September 1, 2019.

Mr. Ainsworth then updated the Board on the Tidwell Lakes Force Main and noted that electronic positioner valves have not been installed to-date. Mr. Ainsworth reported that work with Bay Utilities, LLC ("Bay") is complete and A&S is in the project closeout phase.

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

Mr. Ainsworth reported that construction activities have commenced in Hidden Meadow, Section 11.

Mr. Ainsworth then reported that WS&D construction activities in Hidden Meadow, Section 14 are complete and A&S is reviewing final inspections.

Mr. Ainsworth next reported that the County has agreed to a process for accepting the public streets in Hidden Meadow, Sections 6, 13 and 15. Mr. Ainsworth also reported that A&S has inspected such streets and reviewed the County's punch list to identify items corrected by the contractor. Mr. Ainsworth also 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.

### **Facility and Utility Projects**

Mr. Ainsworth reported that design of Water Plant No. 2 upgrades should be completed within the next two (2) months.

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

Mr. Ainsworth reported that A&S has updated BAR 10 with the final funding amount and is under review by the District's Attorney and Financial Advisor. Mr. Ainsworth anticipates submission of BAR 10 by the end of July 2019.

Ms. Shaver exited the meeting at this time.

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

Mr. Ainsworth presented draft feasibility reports, copies of which are attached to the Engineer's Report, for: 1) Friendswood Development ("Friendswood") for the development of an 8-acre tract located in the District at Tidwell Road and Barker Drive; and 2) Skymark Development Co. ("Skymark") for an 80-acre tract located outside the District along John Ralston Road and Tidwell Road.

Mr. Ainsworth reported that the District has the capacity to serve Friendswood's property. Mr. Ainsworth also reported that Friendswood has been informed that it must obtain approvals from the County and the Harris County Flood Control District ("HCFCD") for a storm sewer system and on-site drainage for such property as a condition to development of such property. Mr. Ainsworth requested the Board's approval to issue the feasibility study to Friendswood.

Mr. Ainsworth next presented a draft feasibility report for Skymark's property, which is out of the District's boundaries. Mr. Ainsworth then introduced Mr. Jorge Li with Skymark to the Board. Mr. Li went on to explain Skymark's history and various developments within the County. Mr. Li further explained that Skymark intended to develop such property as a residential subdivision that would include approximately 300 homes.

Mr. Ainsworth indicated that Skymark would request reimbursement from the District for any WS&D or other facilities necessary to serve such subdivision and the taxable value of the District could increase the District's values by approximately \$57 million as a result. Extensive

discussion ensued regarding the proposed residential development. Director Alamia expressed concern with the such development's impact on flooding within the District. Further discussion ensued regarding the adequacy of booster pump and water capacity and availability of wastewater treatment plant capacity. It was the consensus of the Board to take no action on this item. Upon a **motion** by Director Flight, seconded by Director O'Neill, after full discussion and with all Directors present voting aye, the Board authorized the Engineer to issue a feasibility study to Friendswood.

Mr. Li exited the meeting at this time.

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

Regarding the Vireo Apartments, LP project ("Vireo"), Mr. Ainsworth reported no change during the past period and that Stuckey's Contract Services is monitoring the condition of the detention pond.

Mr. Ainsworth next reported that the Interlocal Agreement for the Tidwell Road Widening Project was executed and sent to the County for approval and recordation.

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

Mr. Ainsworth reported that A&S received a request for consent to encroach from the Dollar Store for sign installation and that this matter will be discussed at the August 21, 2019 meeting.

### **JOINT FACILITIES REPORT**

Mr. Ainsworth reported that the Amended and Restated Regional Wastewater Treatment Facilities Agreement ("RWWTF Agreement") has been executed by the District and Parkway Utility District ("Parkway").

Mr. Ainsworth reported regarding a site visit with representatives of A&S, HCFCD and Jones|Carter ("J|C") to further investigate the slope failure near the RWWTF Outfall. Mr. Ainsworth reported that A&S prepared a course of action memorandum that was sent to J|C for review prior to sending such memorandum to HCFCD and he awaits a response from J|C.

Regarding the status of the RWWTP's design, Mr. Ainsworth reported that A&S continues work on such design. Mr. Ainsworth added that 30% of the RWWTP's design has been completed and 60% is ongoing.

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

Mr. Ainsworth next reported that design of the 16-inch water line is on hold and awaits confirmation from the City on approved direction. Mr. Ainsworth added that Veronica Osegueda with the City indicated she is working on a response. Mr. Ainsworth also reported that the City refused to approve the District's request for the 16-inch water line to be a District line.

Regarding the County's widening of Tidwell Road, Mr. Ainsworth reminded the Board that the District executed the revised agreement for the infrastructure work by the County and Parkway continues revisions and will execute the agreement once all changes have been made.

Upon a **motion** by Director O'Neill, seconded by Director Guerra, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and Joint Facilities Report, as presented.

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 2,759 connections. Mr. Bellamy then reported that the District has accounted for 92.2% 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 RWWTF during the prior month was 93.3% and there were no excursions.

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

Mr. Bellamy next reported that 12 taps have been installed during the prior month and a total of 107 taps have been installed to-date in 2019.

Mr. Bellamy then presented the Write-Off List dated June 25, 2019, a copy of which is attached to the Operator's Report.

Mr. Bellamy reported that the Delinquent Letter Accounts Listing Due July 16, 2019, is attached to his report.

Mr. Bellamy discussed a request from Parkway that Gary Syzek, a consultant for Parkway, be granted immediate and unsupervised access to the RWWTF. Mr. Bellamy reminded the Board that MDS' policy has always been that anyone wishing to inspect or tour the RWWTF facilities be accompanied by a licensed Operator from MDS. Mr. Bellamy added that MDS, Parkway's attorney and engineer recommend that such policy be maintained.

Upon a **motion** by Director Alamia, seconded by Director Guerra, 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.

### **DISTRICT WEBSITE**

The Board requested updating the District website to reflect the new slate of officers.

## ATTORNEY'S REPORT

Mr. Barner next presented an agreement from Pogach and Trachtenberg PLLC and explained that should the Board wish to engage Pogach and Trachtenberg PLLC as Special Litigation Counsel, that it needed to authorize such agreement through a motion. Upon a **motion** by Director Guerra, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board engaged Pogach & Trachtenberg PLLC as Special Litigation Counsel.

Mr. Barner next asked if the Board wanted to further consider the draft of the Amended Ethics Policy. Upon a **motion** by Director O'Neill, seconded by Director Flight, after full discussion and with all Directors present voting aye, the Board approved the Order Adopting Policies Relating to Ethical Conduct, Fiscal Matters, and Consulting Services, a copy of which is attached hereto as Exhibit "G."

Mr. Barner then asked if the District would consider sponsoring 175 students at Carroll Elementary School with the Harris-Galveston Subsidence District Waterwise Program. Mr. Bellamy discussed the benefits to the District to participate in the Waterwise Program and that groundwater credits are good for 20 years. Upon a **motion** by Director Guerra, seconded by Director Alamia, after full discussion and with all Directors present voting aye, the Board approved the Interlocal Agreement, a copy of which is attached hereto as Exhibit "H."

## UPDATE ON LEGISLATIVE MATTERS AFFECTING UTILITY DISTRICTS

Mr. Barner then presented to and reviewed with the Board, RBAP's Legislative Summary of the 86th Legislative Session (2019) concerning the bills that impact utility districts.

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

**SIGNED, PASSED and APPROVED** this the 28th day of August, 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
- G - Ethics Policy
- H - Interlocal Agreement