

## **PARKWAY UTILITY DISTRICT**

### **MINUTES OF BOARD OF DIRECTORS MEETING**

**JULY 17, 2018**

The Board of Directors (the "Board" or "Directors") of Parkway Utility District (the "District") met in regular session, at 6:30 p.m., at 12843 Tidwell Road, Houston, Texas, on Tuesday, July 17, 2018, 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:

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

All members of the Board were present. Also attending were: Diane Bailey of McLennan & Associates, L.P. ("Bookkeeper"); Rhonda Patterson of Assessments of the Southwest ("Tax Assessor-Collector"); Bradley Jenkins and Kaci Schlachter of Jones|Carter ("Engineer" or "Jones|Carter"); Charlie Chapline and Rebecca Marcucci of Municipal District Services ("Operator" or "MDS"); Bill Blitch of Blitch Associates, Inc. ("Financial Advisor"); Kelly Snook, Executive Director of the Greens Bayou Coalition ("GBC"); Jamal Singleton of Direct Waste Solutions, Inc. ("Direct Waste"); 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 President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the 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 President first opened the meeting to public comment.

District resident, Gwendolyn Lewis, first commented on garbage collection in the District during the week of the July 4, 2018 holiday. Ms. Lewis asked the Board to find a better way to inform residents of the holiday solid waste collection schedule. Mr. Barner stated that the District tries to provide the public with information in an efficient manner and reminded Ms. Lewis that the garbage collection schedule is published on the District's website. Mr. Barner also recommended that Ms. Lewis contact Direct Waste should she have questions about the collection schedule. Director Balderas stated that an e-blast was sent to those customers that have signed up for e-blast correspondence.

Next, District resident, Regina Pearrie, commended Direct Waste for its services, including collecting solid waste timely, placing her empty bin in her yard and picking up items that fall out of the bin. Ms. Pearrie encouraged everyone that if information is

received regarding the solid waste collection schedule, to share such information with your neighbors.

As no further public comments were offered, the President instructed the Board to proceed with the agenda.

### **DIRECT WASTE REPORT**

Mr. Singleton presented the Direct Waste Report and reviewed the holiday collection schedule with members of the public. Mr. Chapline suggested including a reminder of the holiday solid waste collection schedule on water bills.

Mr. Singleton discussed issues that arose during the past couple of weeks and indicated that Direct Waste tries to get an early start on Saturdays and noted that Saturday is the heavy pickup day. Mr. Singleton reminded everyone that no storm debris is being collected by Direct Waste. Mr. Chapline stated that a notation regarding no storm debris collection will be included on the next water bill.

### **GREENS BAYOU COALITION ("GBC")**

Ms. Snook next updated the Board on GBC activities and events. Discussion then ensued regarding the District's membership and payment for the 2017-2018 year. Mr. Barner stated that although the Board had approved renewal, the Bookkeeper never received an invoice from the GBC. As a result, payment was not made. Ms. Snook stated that she will provide the Bookkeeper with an invoice for renewal of the District's membership in the GBC.

Ms. Snook distributed information regarding the GBC's drain program and explained the GBC's voluntary donation program. Such program would enable the District to include a line item on its customer water bills that provided customers the opportunity to donate funds for GBC-related programs within the District. Mr. Barner added that he will include an agenda item for the Board to consider such program at the August 21, 2018 Board meeting.

Mr. Singleton exited the meeting at this time.

Mr. Barner inquired regarding the Houston Parks Program to build trails along bayous and the upcoming August 25, 2018 Harris County (the "County") flood bonds election (the "Election"). Ms. Snook stated that she attended a program concerning the Election and recommended that everyone visit the Harris County Flood Control District ("HCFCD") website for information about the projects that would be funding should the Election pass. Mr. Barner went on to report that HCFCD, East Aldine Management District and Pine Village Public Utility District were holding a special meeting scheduled for Tuesday, July 24, 2018, from 6:00 p.m. to 8:00 p.m. to further explain the Election.

Ms. Snook exited the meeting at this time.

## **MINUTES**

The President then directed the Board to consider the approval of the minutes of the workshop meeting held on June 14, 2018, the regular meeting held on June 19, 2018, and the special meeting of June 27, 2018. Upon a **motion** by Director Rettig, seconded by Director Woods, after full discussion and with all Directors present voting aye, the Board approved the minutes of the workshop meeting held on June 14, 2018, the regular meeting held on June 19, 2018, and the special meeting of June 27, 2018, as presented.

## **SYSTEMS PROJECT MANAGEMENT REPORT**

Mr. Syzek presented the Systems Project Management Report, a copy of which is attached hereto.

Mr. Syzek first discussed walking trail access points. Discussion ensued regarding unauthorized access points to the Sunrise Pines detention pond (the "Pond"). Mr. Syzek presented three (3) proposals from Storm Water Solutions ("SWS") for the Pond. Such proposals identified costs to: 1) install bollards and cable fencing at the access point to the Pond on Gardenia Mist Lane; 2) provide and install moss rock boulders across the easement to prevent unauthorized access to the Pond; and 3) provide and install moss rock boulders along the existing gate to prevent unauthorized access to the Pond. Extensive discussion ensued. It was the consensus of the Board to defer discussions concerning unauthorized access points to the August Board meeting.

Mr. Syzek next reported that Harris County Precinct 1 has tagged and removed signage at the intersection of C. E. King Boulevard and Tidwell Road.

Mr. Syzek next reported that work is underway to clean and televise ("TV") the 24-inch (24") sanitary sewer trunk line on Tidwell Road.

Mr. Syzek discussed the Tidwell Road Expansion Project, the status of fine screen installation at the Regional Wastewater Treatment Plant and construction of the District's ground storage tank.

Mr. Syzek then asked if the District would consider sponsoring students at Monahan Elementary School with the Harris-Galveston Subsidence District ("HGSD") WaterWise Program. Mr. Chapline discussed his recent meeting with HGSD and highly recommended the Board approve participation in WaterWise program. Upon a **motion** by Director Rettig, seconded by Director Everhart, after full discussion and with all Directors present voting aye, the Board approved the Interlocal Agreement, a copy of which is attached hereto.

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

The Tax Assessor-Collector's Report was presented by Mrs. Patterson, a copy of which is attached hereto. Ms. Patterson first reported that 96.55% of the 2017 taxes have been collected as of June 30, 2018.

Mrs. Patterson then presented the Delinquent Tax Roll, a copy of which is attached to the Tax Assessor-Collector's Report, and reported that the Delinquent Tax Roll was turned over to the Delinquent Tax Attorney for collection of delinquent accounts.

Upon a **motion** by Director Rettig, seconded by Director Everhart, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector's Report, as presented; and authorized payment of checks numbered 1969 through 1983 from the Tax Account.

Mrs. Patterson and Director Balderas exited the meeting at this time.

### **ENGINEER'S REPORT**

Mr. Jenkins first reported that Reddico Construction ("Reddico") commenced construction of the Beltway 8 Water Line Loop (the "Water Line Loop") earlier this month and plans to begin boring under Beltway 8 the week of July 23, 2018. Mr. Jenkins presented Reddico's Pay Estimate No. 1 in the amount of \$27,468, a copy of which is attached to the Engineer's Report, and recommended payment of same.

Regarding the Water Plant Improvements Project, Mr. Jenkins reported that the contractor, Tidal Construction, Inc. ("Tidal"), ordered the generator earlier this year and anticipates delivery to the site next week. Mr. Jenkins went on to report that after further analysis of the existing plans and conditions during Hurricane Harvey, Jones|Carter recommends the generator pad and motor control center building ("MCC") be raised two feet (2'). Mr. Jenkins added that this revision will require a geotechnical investigation and structural engineering design. Mr. Jenkins requested authorization to proceed with a geotechnical investigation and structural design of the MCC and generator foundations in an amount not to exceed \$21,450. Mr. Jenkins presented Change Order No. 1 to increase the contract time by 259 days due to delays and postponing work to avoid having the Water Plant out of service during the summer months. Mr. Jenkins added that the new contract completion date will be March 31, 2019.

Mr. Jenkins then reported that Chief Solutions began work on TV-ing the 24-inch wastewater line along Tidwell Road and the project completion date is August 6, 2018.

Next, Mr. Jenkins presented a water and wastewater capacity commitment letter to Rutherford Apartments, a copy of which is attached to the Engineer's Report.

Regarding Sunrise Plastic ("Sunrise"), Mr. Jenkins reported that Jones|Carter informed Sunrise that the District will require funds for the waterline project before beginning design of the utility extension. Mr. Jenkins also reported that in order for Sunrise to tie into the District's sanitary sewer service, Sunrise will need to design and build a private lift station and force main. Mr. Jenkins went on to report that the best route for the force main is within the existing public right-of-way adjacent to Sunrise. Mr. Jenkins noted that the County typically does not allow private utilities to be built within the public right-of-way, and added that the private force main could be constructed as a public force main which would be acceptable to the County. Mr. Jenkins indicated

that Jones|Carter recommends the District enter into an agreement with Sunrise stating that all costs to construct and maintain the force main are the responsibility of Sunrise.

Next, Mr. Jenkins reported that the County plans to expand C. E. King Parkway from Tidwell Road to Beltway 8 and that Jones|Carter received a request for record drawings of the District's utilities.

Mr. Jenkins then reported that Sheldon Independent School District ("SISD") is proposing a water line along C. E. King Parkway and Tidwell Road (the "Water Line Project"). Mr. Jenkins went on to report that SISD claims that the water line will be dedicated to the City of Houston (the "City") near the transmission line that provides surface water to the District and Greenwood Utility District ("Greenwood"). Mr. Jenkins further reported that Jones|Carter reviewed the plans and prepared a list of review comments on behalf of the District.

Mr. Jenkins reported that Jones|Carter is preparing calculations and obtaining the required documents for the elevated storage tank alternative capacity request (the "ACR").

Mr. Jenkins next reported that Global New Millennium Development ("Global"), located at Tidwell Road and Beltway 8, submitted an inquiry for available water and wastewater capacity on May 23, 2018. Mr. Jenkins also reported that Global requested a meeting with Jones|Carter to review the necessary steps and utility extensions to receive water and sanitary sewer service. Mr. Jenkins requested the Board's approval for Jones|Carter to proceed with a sanitary sewer evaluation to determine what improvements are required to serve Global.

Regarding Americas International ("AI"), Mr. Jenkins next reported that Jones|Carter received a request to revise the feasibility study completed by Sherrington-Humble LLC to account for additional capacity needed by the AI tract. Mr. Jenkins requested authorization to reevaluate water and sewer service to the AI tract.

Mr. Jenkins then presented a plan review letter sent by Jones|Carter to Forest Park Apartment ("FPA"), a copy of which is attached to the Engineer's Report, and reported that Jones|Carter is currently reviewing FPA's response to such letter.

Mr. Jenkins next reported that Jones|Carter and Mr. Barner are preparing a change in project scope application to reallocate the construction funds for the Wastewater Treatment Plant Expansion Project to engineering funds and that the application will be submitted to the Texas Commission on Environmental Quality this month. Mr. Barner reminded the Board that the resolution was approved by the Board in May 2018. Mr. Barner noted that the Bookkeeper should prepare a sufficiency of funds letter to include with the application. Mr. Jenkins also reported that an escrow release is being included in the application for release of funds for the surface water transmission facility ("SWTF").

Concerning the Storm Water Quality Permit, Mr. Jenkins reported that the County requested a letter reauthorizing SWS to complete the District's annual certification inspections and sign the storm water permit renewals on the District's behalf.

Mr. Jenkins requested the Board's authorization and execution of the reauthorization letter, a copy of which is attached hereto.

Mr. Jenkins then requested the Board's authorization to begin preparation of Bond Application Report No. 16 ("BAR 16") in the lump sum amount of \$55,000. Mr. Jenkins presented a project memorandum, a copy of which is attached to the Engineer's Report, that summarizes the scope of work and outlines the proposed engineering fees. Mr. Blitch presented a report regarding the size of the Series 2019 bonds, a copy of which is attached hereto. Mr. Blitch discussed the Standard & Poor's outlook and stated that the District's tax rate will have to be increased.

Mr. Blitch exited the meeting at this time.

Greg Robertson of Sunrise introduced himself to the Board and discussed the work being done on the Sunrise tract. Mr. Robertson also discussed the Sunrise business outlook.

Upon a **motion** by Director Rettig, seconded by Director Woods, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, as presented, and acted on the following:

- 1) approved Reddico Pay Estimate No. 1 in the amount of \$27,468;
- 2) approved geotechnical services and structural engineering design of the MCC and generator foundations in an amount not to exceed \$21,450;
- 3) approved Tidal Change Order No. 1;
- 4) authorized Jones|Carter to evaluate the District's sanitary sewer system, subject to receipt of \$5,000 from Global;
- 5) authorized Jones|Carter to reevaluate the water and sewer service to AI, subject to receipt of \$5,000 from AI;
- 6) authorized execution of the letter reauthorizing SWS to complete the District's annual certification and inspections and sign the storm water quality permit renewals on the District's behalf;
- 7) authorized Jones|Carter to commence preparation of BAR 16 in the lump sum amount of \$55,000; and
- 8) authorized Sunrise to design and build a private lift station and force main.

Mr. Robertson and Ms. Lewis exited the meeting at this time.

### **BOOKKEEPER'S REPORT**

The Bookkeeper's Report and Investment Report were presented to and reviewed with the Board by Ms. Bailey, copies of which are attached hereto. Ms. Bailey reported that the District has approximately 7.69 months' operating reserve.

Ms. Bailey next updated the Board on the status of communications with ATT&T regarding internet service in the Administration Building. The Board requested the Bookkeeper to transmit an email to the Board on July 18, 2018, regarding the status of communications with AT&T.

In response to a question from Mr. Jenkins, Ms. Bailey stated the Bookkeeper is coordinating with Municipal Account Consulting on a wastewater lease capacity payment owed to the District from Greenwood.

Upon a **motion** by Director Rettig, seconded by Director Woods, after full discussion and with all Directors present voting aye, the Board: 1) approved the Bookkeeper's Report, as presented; 2) authorized payment of checks numbered 9280 through 9352 from the General Fund; and 3) authorized payment of checks numbered 1739 through 1743 from the Capital Projects Fund.

### **OPERATOR'S REPORT**

The Operator's Report was presented by Mr. Chapline, a copy of which is attached hereto.

Mr. Chapline first distributed a letter to District residents and reviewed same with the Board. Mr. Jenkins discussed meeting with MDS to review the District's operations records and indicated that now may be a good time to review the flushing plan since Jones|Carter is currently working on the ACR. Mr. Jenkins explained the flushing plan to the Board and stated that the entire system should be evaluated.

Mr. Chapline reported that there are 2,426 connections in the District. Mr. Chapline next reported that the District accounted for 94.5% of water billed to customers. Mr. Chapline went on to report that the District is now receiving the full amount of pressure from the City.

Repairs and preventative maintenance performed at the water plant, water distribution system, sanitary and storm sewer collection systems, and lift station were next discussed.

Mr. Chapline then reported concerning the Write-Off List dated June 24, 2018, identifying six (6) accounts totaling \$2,318.12 for the Board's approval.

Mr. Chapline next reported that the Delinquent Letter Accounts Listing Due July 16, 2018, is attached to the Operator's Report.

Upon a **motion** by Director Everhart, seconded by Director Rettig, 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 the flushing plan and proposal.

## **PARKWAY/GREENWOOD JOINT FACILITIES REPORT**

Mr. Jenkins first presented a map of the Regional Wastewater Treatment Plant Site (the "WWTP"), a copy of which is attached hereto, and discussed the WWTP Phase I capacity analysis. Mr. Jenkins reported that the WWTP Phase I capacity estimates should be revised to include additional capacity needed to provide service to certain tracts of land along Beltway 8 that will be annexed into the District pursuant to agreements with such tracts' owner.

Mr. Jenkins then reported that the WWTP fine screen has been installed.

Mr. Jenkins next updated the Board regarding the Outfall Repair Project (the "Outfall Project") and reported that the requisite vegetation on the surface of the outfall area has yet to take root. Mr. Barner reminded the Board that such vegetation must take root before HCFCF will formally accept the Outfall Project.

Regarding the WWTP Expansion Project (the "WWTP Project"), Mr. Jenkins reported that the preliminary engineering identified certain areas around the WWTP Site that are poorly draining. Mr. Jenkins went on to report that A&S and Jones|Carter recommended that Wetlands Professional Services ("WPS") be engaged to further evaluate such poorly draining areas. Mr. Jenkins presented WPS' proposal to evaluate and prepare a report on such areas (the "Report") and to establish what is known as an "ordinary high water mark" ("OHWM") for Greens Bayou, a copy of which is attached hereto. Mr. Barner reminded the Board that WPS had been previously engaged by the District and Greenwood to provide a report to the Army Corp of Engineer related to work along Greens Bayou in conjunction with the Outfall Repair Project. Mr. Jenkins stated that the cost to prepare the Report is \$45,500, plus expenses, which are not to exceed \$7,000 without prior authorization from the District and Greenwood. Mr. Jenkins indicated that the cost to establish the OHWM is \$16,000.

Mr. Barner then updated the Board regarding the City's response to the District's request for an increase of surface water and explained that certain segments of the City's water line would need to be enlarged; costs of such enlargement must be paid for by the District and Greenwood. Mr. Barner next reminded the Board that the City requires payment of Impact Fees prior to receiving additional water.

Upon a **motion** by Director Everhart, seconded by Director Woods, after full discussion and with all Directors present voting aye, the Board authorized Jones|Carter to inform Greenwood's engineer of the District's need for 1,119,500 gallons per day of wastewater treatment capacity in WWTP Phase I; acceptance of the proposal submitted by WPS for the preparing the Report and establishing the OHWM.

## **BUILDING SUPERINTENDENT'S REPORT**

Director Rettig had nothing new to report.



## **DISTRICT WEBSITE REPORT**

Mr. Barner next discussed website compliance with the Americans with Disabilities Act ("ADA") requirements and indicated that Off Cinco can perform the work to meet ADA requirements. Mr. Barner asked the Board for its consideration to update the District's website to be compliant with ADA requirements.

## **PARK PLAN**

Mr. Syzek then reported that Michael Murr will have the preliminary park plan ready for presentation at the next Board meeting.

## **ATTORNEY'S REPORT**

Mr. Barner next discussed the District's meeting schedule and recommended making the current Crime Watch Workshop a regular meeting on the second (2<sup>nd</sup>) Thursday of each month to discuss the Patrol Report, parks, the District's website, the Building Superintendent's Report, the System Project Management Report and GBC updates. Discussion ensued. It was the consensus of the Board that such meeting's agenda be revised to include the items discussed.

## **ELECTION AGENDA**

Mr. Barner then discussed the November 6, 2018 Park Bond Election (the "Election") and presented an Order Calling Park Bond Election (the "Order"), a copy of which is attached hereto.

Next, Mr. Barner discussed appointment of a designated agent for the Election.

Upon a **motion** by Director Everhart, seconded by Director Rettig, after full discussion and with all Directors present voting aye, the Board approved the Order Calling Park Bond Election and appointed Radcliffe Bobbitt Adams Polley PLLC as the designated agent for the Election.

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

**PASSED AND APPROVED** this the 18<sup>th</sup> day of September, 2018.

  
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Secretary, Board of Directors