

MINUTES  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

December 21, 2016

The Board of Directors (the "Board") of Harris County Improvement District No. 18 (the "District") met in regular session, open to the public, on the 21<sup>st</sup> day of December, 2016, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Robert T. Deden	President
Dwayne L. Mason	Vice President
Dana Benoit	Assistant Vice President
Sue Darcy	Secretary
Richard L. Rose	Assistant Secretary

and all of the above were present except Director Benoit, thus constituting a quorum.

Also present at the meeting were Tommy Lee of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno of TNG Utility Corp. ("TNG"); Mark McGrath of McGrath & Co, PLLC; Darrell Hawthorne of Municipal Accounts and Consulting, L.P.; Gary Oradat and Omar Oweis of Jacobs Engineering Group Inc. ("Jacobs"); Daniel Lozano of Halff Associates, Inc. ("Halff"); Phil Martin of Mike Stone Associates, Inc. ("MSA"); Bill Walker and Clayton Benedict of Springwoods Realty, Inc. ("SRI"); Martin Murdock with Jones & Carter, Inc. (J&C); Nick Lammayot, Bill Rogers, Christy Wussow and Yepi Pelletier of ExxonMobil Corporation ("ExxonMobil"); Jan Bartholomew of Robert W. Baird & Co. Incorporated; Captain Ronnie Glaze of Harris County Constable, Precinct 4; and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the November 30, 2016, regular meeting. After review and discussion, Director Rose moved to approve the minutes. Director Mason seconded the motion, and it carried by unanimous vote.

REPORT ON SECURITY

Captain Glaze discussed patrol in the District and reviewed a security patrol report for December 2016. A copy of the patrol report is attached.

## PUBLIC COMMENT

There was no public comment.

## SERIES 2017 ROAD BONDS

Ms. Bartholomew discussed a tentative sale schedule for the District's proposed Defined Area No. 1 Unlimited Tax Road Bonds, Series 2017, a copy of which is attached.

## AUDITING MATTERS

Ms. Humphries discussed preparation of the audit for the fiscal year ending December 31, 2016 in accordance with the engagement letter with McGrath & Co., PLLC. Following discussion and review, Director Darcy moved to authorize the McGrath & Co., PLLC to prepare the District's audit for the fiscal year ending December 31, 2016. Director Mason seconded the motion, and it carried by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS

Mr. Hawthorne presented the bookkeeper's report and reviewed the bills presented for payment from the District's accounts, proceeds and construction deposits.

Following discussion and review, Director Mason made a motion to (1) approve the bookkeeper's report; and (2) approve payment of the bills presented. The motion was seconded by Director Darcy and passed unanimously. A copy of the bookkeeper's report and list of checks written is attached.

## OPERATION OF DISTRICT BILLINGS, REPAIRS AND MAINTENANCE

Mr. Reno reviewed TNG's monthly operations and maintenance report, a copy of which is attached, including an update regarding water accountability, consumption totals, billing and collections, water production, compliance, lead and copper sampling, and a summary of operating charges for the month. Mr. Reno also reviewed copper sampling summaries for District outfall collection points.

Following review and discussion, Director Rose moved to approve the operator's report. Director Mason seconded the motion, which passed unanimously.

## TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

## CONVEYANCES RELATED TO DISTRICT FACILITIES

The Board next discussed and considered accepting the following conveyances to the District:

1. abandonment of certain drainage easement east of Holzwarth Road adjacent to Regency property;
2. Electric Easement to CenterPoint Energy for 1003 ½ Energy Drive; and
3. Temporary Construction Easement for Parcel 12.

Following review and discussion, Director Mason moved to accept the instruments listed above and authorize recording of a Temporary Construction Easement for Parcel 12 between meetings. Director Rose seconded the motion, which passed unanimously.

## DEVELOPER'S REPORT

Mr. Walker reported regarding development in the District.

## TAX ASSESSMENT AND COLLECTIONS MATTERS, INCLUDING COLLECTION OF DELINQUENT TAXES

Mr. Lee reviewed the tax assessor/collector's report. He reported on collection of the 2016 taxes and hotel occupancy taxes received to date. After review and discussion, Director Darcy moved to (1) approve the tax assessor/collector's report; and (2) pay the bills presented for payment from the tax account. Director Mason seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

## DISTRICT FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

The Board considered the following agreements and Ms. Humphries confirmed that disclosure compliance pursuant to House Bill 1295 was received for:

1. Master Services Agreement between Lexton Construction, LLC and the District;
2. Contract for MP Technologies Street light activation along East Mossy Oaks Road;
3. Contract for MP Technologies Street light activation along Energy Drive;
4. C.L. Davis Task Order No. 008-17-001; General Field Land Surveying Services for 2017;

5. C.L. Davis Task Order No. 008-17-002; GIS Updates for 2017;
6. Halff Associates Task Order No. 064-17-001; District Engineering Services for 2017;
7. Halff Associates Task Order No. 064-17-002; Storm Water Quality Permitting Services for 2017;
8. DCS Engineering Task Order No 051-17-001; General Water & Sanitary Engineering Consulting Services for 2017;
9. Clark Condon Associates Task Order No. 012-17-001; General Landscaping Consulting Services for 2017;
10. Office of James Burnett Task Order No. 043-17-001; Wayfinding Signage and Banner Design Services;
11. Office of James Burnett Task Order No. 043-17-002; Additional Construction Administration Services for CityPlace Landscape Improvements - Phase I;
12. Binkley & Barfield Task Order No. 063-17-001; General Electrical Engineering Consulting Services for 2017;
13. Jones & Carter Task Order No. 021-17-001; General Construction Management & Inspection Services for 2017;
14. Jones & Carter Task Order No. 021-17-002; Storm Water Maintenance Inspection;
15. Jones & Carter Task Order No. 021-17-003; Bidding Services for Nature Preserve Playground;
16. Jones & Carter Task Order No. 021-17-004; Bidding Services for Nature Preserve Trails - Phase I;
17. Jones & Carter Task Order No. 021-17-005; Construction Management Services for East Mossy Oaks Focal Point Activation;
18. LN McKean Task Order No. 022-17-001; East Mossy Oaks Focal Point Activation;
19. Mike Stone Associates Task Order No. 028-17-001; District Management Services for 2017;
20. Tolunay Wong Engineers Task Order No. 046-17-001; Additional Construction Materials Testing for CityPlace Landscape Improvements - Phase I;
21. Tolunay Wong Engineers Task Order No. 046-17-002; Additional Construction Materials Testing for Drainage Corridor 3 - Phase II (Spring Grove Park);
22. Tolunay Wong Engineers Task Order No. 046-17-003; Storm Water Maintenance Construction Materials Testing; and
23. Tolunay Wong Engineers Task Order No. 046-17-004; Geotechnical Study for Spring Grove Park Enhancements Project.

Following review and discussion, Director Rose moved to approve the above task orders. The motion was seconded by Director Darcy and passed unanimously.

## DEVELOPER FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS AND PROPOSALS

The Board considered the following agreements and Ms. Humphries confirmed that disclosure compliance pursuant to House Bill 1295 was received for:

1. Jones & Carter Task Order No. 021-17-006 – Bidding Services for CityPlace Roadway Improvements – Phase I.

Following review and discussion, Director Darcy moved to approve the above task orders. The motion was seconded by Director Mason and passed unanimously.

## ENGINEERING MATTERS

Mr. Lozano reviewed a report regarding engineering projects in the District. A copy of the engineering report is attached.

Mr. Lozano first discussed the status of design of the following project and requested authorization to advertise for bids for construction of the following:

1. CityPlace Roadway Improvements – Phase I;
2. Nature Preserve Playground; and
3. Nature Preserve Trails – Phase I.

Mr. Lozano next reviewed bids for Pond 8 Jurisdictional Water Stabilization and Underbrushing and recommended the Board award the contract to L.N. McKean, Inc., in the amount of \$27,750. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Darcy moved to approve the award of the contract to L.N. McKean, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Lozano next reviewed bids for Springwoods Village Parkway Landscape Median Enhancements – Phase IB and recommended the Board award the contract to Shooter & Lindsey, Inc., in the amount of \$153,367. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Darcy moved to approve the award of the contract to the lowest qualified bidder, Shooter & Lindsey, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Lozano next reported the status of the following construction projects and recommended approval of associated pay estimates, change orders and quantity contract adjustments, as listed below, and confirmed that disclosures pursuant to House Bill 1295 were received for change orders listed below:

1. Drainage Corridor 3 - Phase II (Spring Grove Park) (Jones & Carter/LN McKean);
  - a. Pay Estimate No. 7;
2. Lift Station No. 3, Water Main & Utility Extension (Jones & Carter/Clearwater Utilities, Inc.);
  - a. Pay Estimate No. 7;
3. Spring Stuebner Drainage and Detention Facility - Phase I (Jones & Carter/Reddico);
  - a. Pay Estimate No. 8;
  - b. Change Order No. 3 (Drainage, Electrical & Site Access Modifications);
4. Waste Water Treatment Plant - Phase II - 0.775 MGD to 1.50 MGD; (Jones & Carter/Pepper Lawson);
  - a. Pay Estimate No. 15;
5. Water Plant No. 1 - Phase II (Jones & Carter/WW Payton);
  - a. Pay Estimate No. 6 and Final; and
6. CityPlace Landscape Improvements - Phase I (Jacobs/Landscape Art);
  - a. Pay Estimate No. 3;
  - b. Change Order No. 1 (Drainage, Pavers).

Mr. Lozano next requested authorization to make application for renewal of the storm water quality permit for Springwoods Village West Detention Pond and provided an update regarding the District's request to Harris County to consolidate all pending storm water quality permits into one permit.

Mr. Lozano discussed a capacity commitment request received and recommended capacity commitment to Spring Stuebner RRC I, Inc. to serve the Chick-fil-A tract.

Mr. Lozano reported to the Board regarding his meeting with Sullivan Brothers to discuss issues associated with accepting for operation and maintenance water and wastewater facilities within Harper Woods which were not constructed by Sullivan Brothers per City of Houston and Harris County standards. Following discussion, the Board concurred to request that Sullivan Brothers submit a feasibility report at their own expense prior regarding the cost to bring these facilities up to public utility standards for further discussion with the Board.

Following discussion and review and based upon recommendation from the District engineer and J&C, Director Darcy moved to (1) approve the engineering report from Halff; (2) authorize advertisement of the projects listed above; (3) approve pay

estimates, change orders and contract quantity adjustments listed above; (4) authorize Halff to submit an application for renewal of the storm water quality permit for the Springwoods Village West Detention Pond; and (5) approve commitment of capacity, as discussed, to Spring Stuebner RRC I, Inc. to serve the Chick-fil-A tract. Director Mason seconded the motion which passed unanimously.

#### MANAGEMENT REPORT

Mr. Martin reviewed a management report from MSA, a copy of which is attached, and updated the Board regarding the performance of BrightView Landscapes, LLC ("BrightView") and request for contract increases requested by BrightView.

#### ATTORNEY'S REPORT

Ms. Humphries discussed the status of transition of District engineering duties from Jacobs to Halff. Following discussion and review, Director Mason moved to: (1) adopt the Resolution Changing Engineering Offices; (2) authorize update of the District's Emergency Preparedness Plan and Critical Load spreadsheet to make Mr. Lozano the point of contact for emergency and critical load issues; (3) authorize execution of letters to the Environmental Protection Agency and TCEQ designating Halff as the District's engineer in dealing with the agencies. Director Rose seconded the motion, and it passed by unanimous vote.

#### EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

At 12:35 p.m. the Board, convened in Executive Session, along with representatives from ABHR, to conduct a private consultation with the District's attorney to discuss the status of the Hassell Construction matter. Director Rose left the meeting before and was not present during the Executive Session.

#### RECONVENE IN OPEN SESSION

At 12:49 p.m. the Board reconvened in open session. Upon a motion by Director Mason and a second by Director Darcy, the Board voted 3 to 0 to approve the Tolling Agreement, with Director Rose being absent from voting.

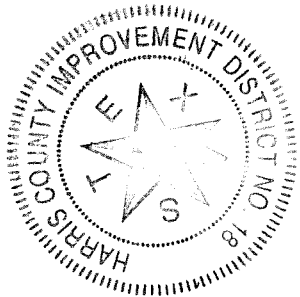
#### EXECUTIVE SESSION PURSUANT TO SECTION 551.076

The Board determined it was not necessary to convene in Executive Session pursuant to Section 551.076.

There being no further business to come before them, the Board concurred to adjourn the meeting.

*Aime Darcy*  
Secretary, Board of Directors

(SEAL)





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