

MINUTES  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

February 28, 2018

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 28<sup>th</sup> day of February, 2018, 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 Stephen Eustis of Robert W. Baird & Co. Incorporated; Joseph Agrella, District resident; David Patterson of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno of TNG Utility Corp. ("TNG"); Martin Murdock of Jones & Carter, Inc.; Captain Ronnie Glaze of Harris County Constable, Precinct 4; Mark Burton of Municipal Accounts and Consulting, L.P.; Daniel Lozano and Chris O'Shea of Halff Associates, Inc. ("Halff"); Nick Cooke and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Warren Wilson, Joanne Willenbacher, Clayton Benedict and Bill Walker of Springwoods Realty, Inc. ("SRI"); Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); and Christina Miller, Anne-Marie Bradford and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

Captain Glaze updated the Board regarding District patrol and current security issues.

PUBLIC COMMENT

Mr. Agrella complimented District patrol officers and said the community was excited about the new movie theater. He also said residents in Audubon Grove remain concerned regarding lack of fencing around the Nature Preserve playground and the tax rate.

## CONSENT AGENDA

Director Deden offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Darcy moved to approve all items on the consent agenda. Director Mason seconded the motion, which passed unanimously. Copies of all documents approved as part of the consent agenda are attached.

## ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion for this agenda item.

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

Mr. Patterson reviewed the tax assessor/collector's report. He reported on collection of the 2017 taxes, certified values to date for 2017, certified values to date for 2017, delinquent taxes, hotel occupancy taxes received to date and appraisal. 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 Rose seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. C. Miller presented and reviewed a Resolution Concerning Exemptions from Taxation. She and Mr. Eustis reviewed the optional exemptions, including a general residential homestead exemption, an exemption of charitable organizations, an exemption of travel trailers, and a homestead exemption for disabled persons or persons over 65 years of age. After review and discussion, the Board concurred to table discussion until the March, 2018 Board meeting.

## REVIEW OF SURPLUS FUNDS AND RESOLUTION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR USE OF SURPLUS FUNDS

Ms. C. Miller discussed available surplus funds from the District's Series 2014 and 2016 Bond proceeds and the Board reviewed a capital project fund analysis prepared by the District bookkeeper. Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to approve a Resolution to the TCEQ Requesting Authorization to Use Surplus Funds.

## FINANCIAL AND BOOKKEEPING MATTERS

Mr. Burton 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 Rose made a motion to (1) approve the bookkeeper's report; and (2) approve payment of the bills presented. The motion was seconded by Director Mason 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 schedules, facility repairs in progress and permitting and reviewed a summary of operating charges for the month.

Mr. Reno said TNG and the District engineer reviewed the District's Emergency Preparedness Plan ("EPP") and said TNG is not recommending any changes to the EPP at this time.

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

## TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

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

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

1. Master Services Agreement for Legacy Arbor Care;
2. C.L. Davis Task Order No. 008-18-005; Platting Services for General Plan;
3. C.L. Davis Task Order No. 008-18-006; As-built survey for East Mossy Oaks Road - Phase IV;
4. C.L. Davis Task Order No. 008-18-007; As-built survey for Spring Pine Forest Drive;
5. Halff Associates Task Order No. 064-18-007; Drainage engineering services;

6. Halff Associates Task Order No. 064-18-008; Design Services for CityPlace Park Bridges;
7. Office of James Burnett Task Order No. 043-18-004; Additional Design Services for CityPlace Park Bridges;
8. Jones & Carter Task Order No. 021-18-007; Additional Construction Management Services for CityPlace Roadways – Phase I;
9. Jones & Carter Task Order No. 021-18-008; Bidding Services for CityPlace Park Bridges;
10. Jones & Carter Task Order No. 021-18-009; Bidding Services for CityPlace Roadways – Phase II;
11. DCS Engineering Task Order No. 051-18-001; Water and Wastewater Engineering Services;
12. DCS Engineering Task Order No. 051-18-002; Water Distribution System and Facilities Plan;
13. L. N. McKean Task Order No. 021-18-001; for Spring Grove Park sidewalk modifications;
14. L. N. McKean Task Order No. 021-18-002; for Spring Grove Park bank stabilization and seeding;
15. L. N. McKean Task Order No. 021-18-003; for Springwoods Village Parkway at arch culvert Storm Water Maintenance;
16. Third Coast Services Task Order No. 044-18-001; Street Light Maintenance; and
17. Security Services Contract with Charles Hoover.

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

The Board took no action on the following agreements:

1. Amendment to Master Services Agreement with Trees For Houston; and
2. Amendment to Lease Agreement for tree farm tract.

### CONVEYANCES

The Board next considered approving the following conveyances:

1. Abandonment of District waterline easement located on Spring Stuebner RRC I tract (Kroger site);
2. District waterline easement located on Spring Stuebner RRC I (Kroger Site);
3. Abandonment of Storm Sewer Easement on East Mossy Oaks Road;
4. Encroachment Agreement for CityPlace 2;
5. Encroachment Agreement for Full Service Hotel; and

6. Access/construction easements for CityPlace Landscape Improvements - Phase II.

Following review and discussion, upon a motion by Director Mason and a second by Director Rose, the Board voted unanimously to approve the conveyances, as recommended.

#### ENGINEERING MATTERS

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

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

1. CityPlace Park Bridges; and
2. CityPlace Roadways, Phase II.

Mr. Lozano reviewed bids for electrical services on City Plaza Drive and, based upon the recommendation of J&C, recommended the Board award the contract to MP Technologies, Inc. for an amount not to exceed \$25,000.

Mr. Lozano reviewed bids for electrical services on East Mossy Oaks and, based upon the recommendation of J&C, recommended the Board award the contract to MP Technologies, Inc. for an amount not to exceed \$25,000.

Mr. Lozano 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. Spring Grove Park Enhancements (Jones & Carter/ECB Development);
  - a. Pay Estimate No. 7 & Final;
  - b. Change Order No. 3 (Deductive Change Order for remaining work);
  - c. Quantity Contract Adjustment No. 3 (January quantity adjustment);
2. East Mossy Oaks Road - Phase IV (Jones & Carter/Triple B);
  - a. Pay Estimate No. 9;
  - b. Quantity Contract Adjustment No. 5 (Final quantity adjustments);
3. CityPlace Landscape Improvements - Phase II (Jones & Carter/Shooter & Lindsey);
  - a. Pay Estimate No. 1;

- b. CityPlace Roadways – Phase I (Jones & Carter/James Construction Group);
  - c. Pay Estimate No. 10;
- 4. Nature Preserve Playground (Jones & Carter/Brightview Landscape);
  - a. Pay Estimate No. 6; and
- 5. Springwoods Village Median Enhancements – Phase II (Jones & Carter/Earth First Landscape);
  - b. Quantity Contract Adjustment No. 2 (Concrete Pavers).

The Board determined that the change orders presented above are beneficial to the District.

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 Half; (2) authorize the District engineer to advertise for bids for construction of CityPlace Park Bridges and CityPlace Roadways, Phase II; (3) award a contract for electrical services on City Plaza Drive, upon the recommendation of J&C, to MP Technologies, Inc., in the amount of \$25,000; (4) award a contract for electrical services on East Mossy Oaks, upon the recommendation of J&C, to MP Technologies, Inc., in the amount of \$25,000; (5) approve pay estimates and quantity adjustments listed above; and (6) approve the Change Orders listed and as discussed above, based upon the Board's finding that the Change Orders are beneficial to the District and the engineer's recommendation. Director Mason seconded the motion which passed unanimously.

#### MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, and updated the Board regarding insurance claims and application for reimbursement filed with the Federal Emergency Management Agency, public inquiries through the District website, including an inquiry from District resident, Loretta Malander regarding broken irrigation heads, upcoming community events and preparation for same and the status of post-Harvey District property/facility repairs.

Mr. Cooke next reviewed a proposal from High Sierra Electronics in the amount of \$11,569 for repair and raising of the level monitoring station at the west detention pond.

Following review and discussion, upon a motion by Director Rose and a second by Director Darcy, the Board voted unanimously to (1) approve the management report; and (2) upon the recommendation of MSA, award a contract in the amount of \$11,569 to High Sierra Electronics.

EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE

At 12:41 p.m. the Board, convened in Executive Session to deliberate the deployment, or specific occasions for implementation of security personnel or devices.

RECONVENE IN OPEN SESSION

At 1:06 p.m. the Board reconvened in open session. Following discussion in executive session, Director Mason moved to (1) authorize ABHR to negotiate security contract Option C, as discussed in executive session; and (2) authorize Director Mason to execute the final agreement. Director Rose seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Rose left the meeting before and was not present during the second Executive Session.

At 1:06 p.m. the remaining Board members, along with ABHR, convened in Executive Session, to conduct a private consultation with the District's attorney to discuss the status of the Hassell Construction matter.

RECONVENE IN OPEN SESSION

At 1:08 p.m. the Board reconvened in open session.

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

(SEAL)



  
Secretary, Board of Directors

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