

MINUTES  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

October 31, 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 31st day of October, 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; Joe Agrella, Caryn Haley and Kristi Fink, District residents; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); J.C. Reno of TNG Utility Corp. ("TNG"); Darrell Hawthorne of Municipal Accounts and Consulting, L.P.; Daniel Lozano and Shaun Sallee of Halff Associates, Inc. ("Halff"); Nick Cooke and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Martin Murdock of Jones & Carter, Inc.; Joanne Willenbacher, Bill Walker and Warren Wilson of Springwoods Realty, Inc. ("SRI"); and Lynne Humphries, Jennifer Ziman, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

There was no discussion for this agenda item.

PUBLIC COMMENT

Ms. Fink requested that the Board consider constructing a sidewalk along Blue Heron Run to connect to the current location on Springwoods Village Parkway where Spring Independent School District ("Spring ISD") bus is picking up students. She also requested a pad for children waiting for the bus to stand on or construction of a bus stop location somewhere other than along Springwoods Village Parkway. Ms. Haley, President of the Audubon Grove Homeowner's Association (the "HOA"), said the HOA is working with Spring ISD to identify a safer bus stop location within Audubon Grove.

Ms. Haley requested the Board consider a parking area for the Nature Preserve Playground and said park visitors are parking on the streets in Audubon Grove. She also requested an update regarding investigation of fencing options along Springwoods Village Parkway in front of the Nature Preserve Playground and drainage issues in Audubon Grove. She commented that the HOA's landscaper is unable to perform maintenance in the Audubon Grove detention pond because it is too wet.

Mr. Agrella thanked the Board for the upcoming tax reduction and commented regarding his pending Texas Publication Information Act ("TPIA") requests with the District's records manager and concerns regarding financial transparency and lack of internal accounting controls.

#### 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 Rose 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 and delinquent taxes. After review and discussion, Director Rose moved to (1) approve the tax assessor/collector's report; and (2) pay the bills presented for payment from the tax account. Director Darcy seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

#### 2018 TAX RATE

Director Deden opened the public hearing on the District's proposed tax levy. Mr. Patterson confirmed that notice of the proposed levy had been published. There being no comments from the public, Director Deden closed the public hearing and the Board considered adoption of an Order Levying Taxes, reflecting a tax rate of \$1.05 per \$100 valuation consisting of (1) \$0.30 per \$100 of assessed valuation in Defined Area No. 1; and (2) \$0.75 per \$100 of assessed valuation in the District. The Board confirmed its intention that the 2018 District tax levy includes a maintenance tax for the fiscal year

ending December 31, 2019 and a debt service component for the District for the fiscal year ending December 31, 2019. Upon a motion made by Director Darcy and seconded by Director Mason, the Board unanimously adopted the Order Levying Taxes.

Ms. Humphries presented and reviewed the District's proposed Amendment to Information Form to reflect the District's 2018 tax rate. After review and discussion, Director Rose moved to approve the Amendment to Information Form and file it with the Texas Commission on Environmental Quality ("TCEQ") and in the Harris County Deed Records. Director Mason seconded the motion, which passed by unanimous vote.

#### 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. In response to Mr. Agrella's public comment, Ms. Humphries noted that all checks presented to the Board for approval and payment are submitted with invoices as back up to the check issued at Board meetings, and as Mr. Agrella knows from his Open Records requests, are available to the public.

Ms. Humphries discussed a requirement to annually review the District's Investment Policy to comply with The Public Funds Investment Act, Chapter 2256, Government Code. Ms. Humphries said neither ABHR, the District bookkeeper nor the District auditor is recommending any changes at this time. She then reviewed a Resolution Regarding Annual Review of the Investment Policy reflecting no changes.

Ms. Humphries next discussed a requirement of the Public Funds Investment Act, Chapter 2256, Government Code, to annually review, revise and adopt a list of qualified broker/dealers with whom the District may engage in investment transactions. She added that the bookkeeper has provided an updated list. She reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

Ms. Humphries said the District engineer reported an increased value for Pond No. 5 Pump Station and Electrical from \$520,000 to \$700,000 for an additional premium of approximately \$300 for the prorated portion of the remaining coverage year.

Following discussion and review, Director Rose made a motion to (1) approve the bookkeeper's report; (2) approve payment of the bills presented; (3) approve the Resolution Regarding Annual Review of the Investment Policy; (4) approve the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions; and (5) approve payment of an additional premium to increase the coverage for Pond 5 Pump Station and Electrical. The motion was seconded by Director Darcy and passed unanimously.

## 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, back charges for damage to District facilities, consumption totals, billing and collections, water production, compliance schedules, facility repairs in progress, security equipment at District facilities and permitting and reviewed a summary of operating charges for the month. Following review and discussion, Director Mason moved to approve the operator's report. Director Rose seconded the motion, which passed unanimously.

## TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

## AMEND RATE ORDER

The Board took no action on this agenda item.

## 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. Jones & Carter Task Order No. 021-18-024; Additional Construction Management and Inspection services for CityPlace Landscape Improvements - Phase II; and
2. Jones & Carter Task Order No. 021-18-025; Construction Management and Inspection services for CityPlace Park Bridges.

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

## DEEDS AND EASEMENTS

The Board next considered authorizing Abandonment of an easement within Drainage Corridor No.1. Following review and discussion, upon a motion by Director Mason and a second by Director Darcy, the Board voted unanimously to approve the conveyance.

## ENGINEERING MATTERS

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

The Board took no action and concurred to defer discussion regarding award of a contract for construction of a pedestrian trail connection from East Mossy Oaks to Holzwarth Road.

Mr. Lozano reported the status of the following construction projects and recommended approval of associated pay estimates listed below:

1. CityPlace Park (Lower Plaza) (Jones & Carter/Texas Wall & Landscape);
  - a. Pay Estimate No. 7;
  - b. Change Order No. 4 (Drainage, Yews, Rack, and Brackets);
  - c. Quantity Contract Adjustment No. 3 (Match Field Quantities);
2. CityPlace Park Bridges (Jones & Carter/MoBill Contractors);
  - a. Pay Estimate No. 4;
  - b. Change Order No. 2 (Handicap Ramp);
  - c. Quantity Contract Adjustment No. 1 (Match Field Quantities);
3. CityPlace Roadways - Phase II (Jones & Carter/Harper Brothers Construction);
  - a. Pay Estimate No. 2;
4. CityPlace Landscape Improvements - Phase II (Jones & Carter/Shooter & Lindsey);
  - a. Pay Estimate No. 9; and
5. Pedestrian Trails - Nature Preserve Extension (Jones & Carter/Teamwork Construction Services);
  - a. Pay Estimate No. 1.

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

Mr. Lozano updated the Board regarding drainage punch list items pending in Audubon Grove.

Ms. Humphries discussed plans to submit a bond application to the TCEQ.

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) approve pay estimates, based upon the engineer's recommendation; (3) approve Change Orders listed and discussed above, based upon the Board's finding that the Change Orders are beneficial to the District and the engineer's

recommendation; and (4) authorize the District's consultants to prepare a bond application for submission to the TCEQ. Director Mason seconded the motion which passed unanimously.

#### MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, a copy of which is attached and updated the Board regarding winterization of irrigation systems, street sweeping, tree trimming and inquiries received through the District website. Directors Darcy and Rose commented that the HOA should reach out to other taxing jurisdictions, such as Harris County and Spring ISD, for assistance in resolving the bus stop issue and new sidewalks discussed during public comments and noted that the District has limited authority to resolve problems not located on District property, and noted the proposed sidewalk is in Harris County right-of-way.

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

The Board determined it was not necessary to convene in executive session.

#### NOVEMBER AND DECEMBER MEETING DATES

The Board confirmed its November 28, 2018 Board meeting and discussed rescheduling the December, 2018 meeting to the week of December 17, 2018 due to the holidays.

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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