

MINUTES OF SPECIAL MEETING
ROLLING CREEK UTILITY DISTRICT
HARRIS COUNTY, TEXAS

18 April 2017

STATE OF TEXAS
COUNTY OF HARRIS

The Board of Directors (the "Board") of Rolling Creek Utility District (the "District") of Harris County, Texas, met in special session, open to the public, on the 18th day of April, 2017, at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1100, Harris County, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Brian Gardner	President
Adrian Shapiro	Vice President and Investment Officer
Gary Brown	Secretary/Treasurer
Kenneth B. Levenson	Assistant Secretary
Clay Deaton	Assistant Vice President and Assistant Secretary

and all of said persons were present with the exception of Director Brown, thus constituting a quorum.

Also present were Gregg Haan, P.E., of LJA Engineering & Surveying, Inc. ("LJA"), the District's Engineer; and Dick Yale, Cole Konopka, and David Green of Coats Rose, P.C., the District's Attorney.

Director Gardner called the meeting to order.

Proposed Relocation of Water Line and Sanitary Sewer Force Main on Clay Road Bridge

The Board discussed matters relating to the proposed relocation (the "Relocation Project") of the District's 12-inch water line and 10-inch sanitary sewer force main (the "District Lines") that are mounted on the side of the Clay Road Bridge over Bear Creek in the District. Mr. Yale discussed with the Board the options for the Relocation Project with respect to the construction of (1) the temporary water line and temporary sanitary sewer force main (the "Temporary Facilities") in order to provide water and sanitary sewer service (the "Service") to the Amesbury Park Subdivision ("Amesbury Park") during the course of Harris County's (the "County") project to widen the Clay Road and the Clay Road Bridge (the "Bridge Project"); and (2) the permanent water line and permanent sanitary sewer force main (the "Permanent Facilities") to provide Service to Amesbury Park upon the completion of the Bridge Project.

Mr. Yale reviewed with the Board a memorandum from the District's Attorney that outlines the options and estimated cost for the Relocation Project, as follows:

Option 1: The District would enter into an Interlocal Agreement with the County and have the County's contractor for the Bridge Project, WadeCon/Menade Inc. ("WadeCon"), construct the Temporary Facilities. Upon completion of the Bridge Project, the Temporary Facilities would be removed by WadeCon and be reinstalled on the north side of the Clay Road Bridge as Permanent Facilities.

Temporary Facilities:	\$142,460.59
Permanent Facilities:	\$166,551.00
Total:	\$309,011.59

Option 2: The District would enter into an Interlocal Agreement with the County and have WadeCon construct Temporary Facilities. The District would then choose to have either WadeCon or an LJA-bid contractor install the Permanent Facilities in the water line and sanitary sewer line easements (the "Easements") that were acquired earlier this year by the District.

Temporary Facilities:	\$142,460.59
Permanent Facilities by WadeCon:	\$399,000 (plus County administrative costs)
Permanent Facilities by District's contractor:	\$436,668 (strictly an estimate from LJA)
Total:	\$142,460.59 + \$399,000 = \$541,460.59
Or	
Total:	\$142,460.59 + \$436,668 = \$579,128.59

Option 3: WadeCon would install Permanent Facilities only. The District would still require Watershed Department approval and a written contract with WadeCon or approval from the County for a Change Order in the Interlocal Agreement.

Permanent Facilities in Easements by WadeCon: **\$399,000** (plus possible County administrative costs)

A copy of the memorandum is attached hereto as an exhibit to these minutes. Mr. Haan then reviewed with the Board a Cost Estimate dated 1 March 2017 as prepared by the District's Engineer for the relocation of the District Lines in the Easements at total estimated cost of \$436,888. A copy of the Cost Estimate is attached hereto as an exhibit to these minutes. A discussion ensued regarding Option Nos. 1, 2, and 3 for the Relocation Project. Mr. Haan stated that based on recent conversations between the District's Engineer and two contractors, the estimated cost for Option 3 could possibly be reduced to approximately \$386,000. Directors Gardner and Levenson expressed their view that Option 1 would be the most advantageous to the District with regard to the estimated project cost and the time to complete the Relocation Project.

Mr. Yale stated that representatives of the District's Attorney and Engineer had recently met with John R. Blount, P.E., and Paul Briggs of the County's Engineering Department to discuss the options for the Relocation Project. He remarked that Mr. Blount and Mr. Briggs had both expressed no objection on behalf of the County to the installation of the Temporary Facilities and Permanent Facilities on the Clay Road Bridge. Mr. Haan stated that Harris County officials had previously informed the District's Engineer that they could not ensure that there would be no disruption to the Service to Amesbury Park if Harris County's contractor were to construct the Temporary Facilities and Permanent Facilities on the Clay Road Bridge. He added that WadeCon had indicated that it was willing to proceed with the Relocation Project in such a manner that the temporary disruption of the Service would be minimal.

Mr. Yale then submitted to and reviewed with the Board a draft Interlocal Agreement between the District and the County that will facilitate the County issuing a change order on its contract with WadeCon so that WadeCon would (1) construct the Temporary Facilities to provide the Service to Amesbury Park during the course of the Bridge Project; and (2) remove the Temporary Facilities upon completion of the Bridge Project and install the Permanent Facilities on the side of the Clay Road Bridge. A copy of the draft Interlocal Agreement is attached hereto as an exhibit to these minutes.

After review and discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) approve the Interlocal Agreement and authorize Director Gardner to execute same, subject to further revision by the County and the District's Attorney; and (2) authorize Director Gardner to execute any instruments with WadeCon as might be necessary in connection with the Relocation Project. The Board then directed the District's Engineer to cancel the taking of bids for the relocation of the District Lines in the Easements. [Subsequent to this meeting, the Directors approved and executed a revised Interlocal Agreement with a total cost to the District of \$312,213.63 at the Board's meeting on 3 May 2017.]

Then Mr. Yale stated that the Board could determine that an emergency situation exists and undertake the Relocation Project without the delay involved with advertising for competitive bids pursuant to §49.274 of the Texas Water Code. He noted that the County requires the immediate relocation of the District Lines because the situation is holding up the commencement of the Bridge Project, and the County's contractor has threatened litigation if the District Lines are not moved promptly. Furthermore, he continued, failure to quickly relocate the District Lines could disrupt the Service to the District's customers in Amesbury Park and might decrease fire protection to this portion of the District. Therefore, he continued, the situation meets the description of an emergency in §49.274, i.e., a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action. He noted that §49.274 allows the District to commence work prior to receipt of approval from the Texas Commission on Environmental Quality (the "Commission"). Mr. Yale stated that the District's Attorney would prepare a letter to the Commission stating that an emergency situation exists and requesting approval for the District to undertake the Relocation Project without the delay involved with advertising for competitive bids so that the County's contractor may

proceed with the Bridge Project, which would include the construction of the Temporary Facilities and reinstallation of the Permanent Facilities.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

SEAL

Rolling Creek Utility District
Meeting of 18 April 2017
Attachments

1. Contact information for Paul Briggs and John R. Blount, P.E. of Harris County Engineering Department;
2. Coats Rose memorandum / options for relocation of main water line and sanitary sewer force main;
3. Cost Estimate for relocation of main water line and sanitary sewer force main in Easements; and
4. Proposed Interlocal Agreement between Rolling Creek Utility District and Harris County for the temporary relocation and permanent relocation of water line and sanitary sewer line on the Clay Road Bridge.