

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

5 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 regular session, open to the public, on the 5th 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, thus constituting a quorum.

Also present were Patricia Rodriguez of Bob Leared Interests, Inc. ("Leared"), representing Bob Leared, the District's Tax Assessor/Collector; Karrie Kay of Myrtle Cruz, Inc., the District's Bookkeeper; Gregg Haan, P.E., of LJA Engineering & Surveying, Inc. ("LJA"), the District's Engineer; Mirna Bonilla-Odums representing Severn Trent Environmental Services, Inc., the District's Operator; Kirti Patel representing Richfield Real Estate Corporation ("Richfield"); Andrew Rue representing Woodmere Development Company, Ltd. ("Woodmere"); and Dick Yale, Will Yale, Cole Konopka, David Green, and Caroline Jones of Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

Director Gardner called the meeting to order.

### **Approval of Minutes**

First, the Board considered approval of the minutes of the meeting of 1 March 2017. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 1 March 2017, as written.

## **Harris County Contract Deputy Program / Security Patrol Report**

The Directors discussed matters relating to the Contract Deputy Program. Mr. Dick Yale distributed to the Board copies of the Security Patrol Report for March 2017 as prepared by the Harris County Sheriff's Department. A copy of the Security Patrol Report is attached hereto as an exhibit to these minutes. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Security Report.

## **Tax Assessor/Collector's Report**

Next, Ms. Rodriguez submitted the Tax Assessor/Collector's Report for the Board's consideration. She summarized the activity in the District's Tax Account and noted that Leared was requesting approval for five checks written on the District's tax account, said checks including the transfer to the District's Operating Fund of \$959.86 in penalties and interest assessed on delinquent taxes paid to the District, and two transfers by wire as follows: \$4,071.70 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$10,000.00 to the District's Debt Service Fund. Ms. Rodriguez also noted that the District's 2016 tax levy was 97.6% collected. She called the Board's attention to the list of Top Delinquent Taxpayers, a copy of which is included in the Tax Assessor/Collector's Report.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Report of the Tax Assessor/Collector and to authorize disbursement of the sums from the District's Tax Account as listed therein. A copy of the Report of the Tax Assessor/Collector is attached to and shall be considered to be part of these minutes.

## **Uncollectible Accounts**

Ms. Rodriguez then called the Board's attention to a list of six delinquent tax accounts involving personal property for the 2012 tax year and one delinquent tax account involving personal property for the 2010, 2011, and 2012 tax years that Leared desires to transfer to the list of uncollectible accounts. A list of the delinquent tax accounts is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the transfer of seven delinquent tax accounts involving personal property to the list of uncollectible accounts.

## **Bookkeeper's Report**

Next, Ms. Kay distributed the Bookkeeper's Report for the Board's review. She listed the balances in each of the District's accounts and noted investments in each account. Ms. Kay reviewed the activity in each account. She called the Board's attention to the District's bills and the checks prepared in payment thereof. The Directors then reviewed: (1) the Operating Budget for the fiscal year ending 31 July

2017; (2) the Summary of Costs relating to the District's Series 2014 Bonds; (3) the Budget Comparison for February 2017; (4) the Cash Flow Comparison table; (5) a table listing the District's power consumption and the amount billed to the District for electric service; and (6) the Investment Report, copies of which are included with the Bookkeeper's Report.

The Board then completed the review of the District's bills. Upon a motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report and to authorize payment of the District's bills. A copy of the Bookkeeper's Report is attached to and shall be considered to be part of these minutes.

### **Solid Waste Collection Report**

Mr. Yale distributed copies of the Monthly Account Summary for the District's solid waste collection service for March 2017 on behalf of Best Trash, LLC, the District's Solid Waste Collector. A copy of the Monthly Account Summary is attached hereto as an exhibit to these minutes. After review, upon a motion duly made and seconded, the Board voted unanimously to accept the Monthly Account Summary.

### **West Harris County Regional Water Authority**

Director Gardner reported on recent activities of the West Harris County Regional Water Authority (the "Authority"). Mr. Yale submitted to and reviewed with the Board a memorandum from Coats Rose regarding the meeting held on 8 March 2017 by the Authority's board of directors. A copy of the memorandum is attached hereto as an exhibit to these minutes.

### **Transfer of Storm Water Quality Permits**

Next, the Board discussed matters relating to the transfer of the responsibility for the Storm Water Quality Management Plan and permanent Storm Water Quality features (the "SWQ Features") for Sections 2 and 10 of Grand Oaks Subdivision ("Sections 2 and 10") from Richfield to the District. Mr. Yale recalled that at the Board's meeting on 1 February 2017, the Board had approved the Storm Water Quality Renewal/Transfer forms for Sections 2 and 10 (the "Transfer Forms") as prepared by Storm Water Solutions, LLC ("SWS") for submission to the Harris County Engineering Department (the "Engineering Department"). He stated that the District's Attorney had forwarded the executed Transfer Forms to SWS for submission to the Engineering Department. Mr. Yale then reviewed with the Board an electronic mail message dated 2 March 2017 from Blake Kridel of SWS, a copy of which is attached hereto as an exhibit to these minutes. According to Mr. Kridel, he told the Board, the Engineering Department had approved the Transfer Forms on 2 March 2017. He called the Board's attention to the transfer receipts for the SWQ Features in Sections 2 and 10 as prepared by the Engineering Department, copies of which are attached hereto.

Mr. Yale then informed the Board that Woodmere had requested a letter from the District to the Engineering Department (the "SWQ Letter") stating that the District would assume responsibility for the management of the SWQ Features in Sections 5 and 6 of Grand Oaks Subdivision ("Sections 5 and 6"). He explained that the SWQ Letter was required by the Engineering Department in connection with its review of the plans for the construction of water, sanitary sewer, and drainage facilities in Sections 5 and 6. Mr. Yale then submitted for the Board's review and approval the SWQ Letter and the Permittee Certification of Stormwater Quality Management Requirements form (the "Permittee Certification Form") for Sections 5 and 6 as prepared by the District's Attorney. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize Director Gardner to execute the SWQ Letter and the Permittee Certification Form. Copies of the executed SWQ Letter and the Permittee Certification Form are attached hereto and shall be considered to be part of these minutes.

### **Engineer's Report**

Mr. Haan reviewed the Engineer's Report with the Board. A copy of the Engineer's Report is attached hereto as an exhibit to these minutes.

### **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 that are mounted on the side of the Clay Road Bridge over Bear Creek in the District. Mr. Haan reported that the plans for the Relocation Project were to be signed by the City of Houston ("the City") on 6 April 2017 and have been submitted to Harris County for signature. He stated that advertisement for bids on the Relocation Project had commenced and that the bids would be received on 25 April 2017.

Mr. Haan then submitted for the Board's review and approval a Change Order Proposal for Engineering Services (the "Change Order Proposal") from LJA to provide additional engineering services for the Relocation Project at a cost of \$49,700. He explained that the additional design work for the second and considerably more costly alternate realignment for the Relocation Project was not included in the original Proposal for Engineering Services as approved by the Board on 4 May 2016. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Change Order Proposal and to authorize Director Gardner to execute same. A copy of the Change Order Proposal as executed by the Board is attached hereto as an exhibit to these minutes.

### **Wastewater Treatment Plant / Proposed Expansion**

The Directors next discussed matters relating to the proposed construction of a 200,000 gallon-per-day package plant Train 3 Section of the District's Wastewater

Treatment Plant (the "Plant Expansion"). Mr. Haan reported that the plans for the Plant Expansion would be signed by the City on 6 April 2017 and have been submitted to Harris County for signature. He stated that advertisement for bids on the Plant Expansion had commenced and that the bids would be received on 26 April 2017.

Mr. Haan then submitted for the Board's review and approval a Proposal to Perform Geotechnical Evaluation (the "Proposal") in connection with the Plant Expansion as submitted by Ninyo & Moore, to which is attached a Work Authorization and Agreement (the "Agreement"). It was noted by the Board that Ninyo & Moore would charge a lump sum fee of \$7,900 to perform the Evaluation under the Proposal. After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Proposal; and (2) approve the Agreement and authorize Director Gardner to execute same, subject to review by the District's Attorney. Copies of the Proposal and Agreement as approved by the Board are attached hereto as exhibits to these minutes.

### **Clearing and Grubbing / Sections 5 and 6 of Grand Oaks Subdivision**

Next, the Board discussed the status of the contract with Crostex Construction, Inc. (called "Crostex") for the clearing and grubbing of Sections 5 and 6 (the "Clearing"). Mr. Haan reported that that Crostex was nearing completion of the Clearing. He noted that Crostex had submitted one Pay Estimate in the amount of \$16,290.00 in connection with the Clearing.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report.

### **Operations Report**

Ms. Bonilla-Odums distributed the Operations Report for the Board's consideration. She reported that the District had produced 8,000 gallons of water from its own wells and had purchased 8,113,000 gallons of water from the Authority during the period of 8 February to 8 March 2017, with an accountability rate of 98.4%. Ms. Bonilla-Odums reported that the District has 1,167 active connections. She noted that the District's Wastewater Treatment Plant (the "Plant") operated with its average level of flow at 51% of its rated capacity during the reporting period. Ms. Bonilla-Odums then reviewed with the Board (1) the Major Expenses Maintenance Summary for the District's water distribution and sanitary sewer systems; and (2) the Major Sewer Plant Maintenance Summary for the Plant for March 2017, copies of which are included with the Operator's Report.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Operations Report. A copy of the Operations Report is attached to these minutes as an exhibit.

## **Homeland Security Contact Information**

The Directors next discussed the status of the submission to the Texas Commission on Environmental Quality (the "Commission") of the Annual Homeland Security Contact Update and Information Form (the "Information Form") listing the Homeland Security contact information for the District's wastewater treatment facilities. Ms. Bonilla-Odums informed the Board that the District's Operator had submitted the Information Form to the Commission. A copy of the Information Form included with the Operations Report.

## **2016 Drinking Water Quality Report**

Ms. Bonilla-Odums reported that the District's Operator was preparing the 2016 Drinking Water Quality Report for the District (the "DWQR"). Mr. Yale asked Ms. Bonilla-Odums to provide a cost estimate for mailing the DWQR to the District's customers.

## **Harris County Emergency Services District No. 9**

Ms. Bonilla-Odums reviewed with the Board a letter from Bob Janusaitis of Harris County Emergency Services District No. 9 ("ESD No. 9"), a copy of which is attached hereto as an exhibit to these minutes. She noted that Mr. Janusaitis was requesting that the District collaborate with the Cy-Fair Volunteer Fire Department (the "CFVFD") with regard to the collection of water supply information to be used by the Insurance Services Organization to determine fire insurance ratings for communities located within ESD No. 9. Ms. Bonilla-Odums stated that the District's Operator would likely need to conduct flow testing on three to five fire hydrants in the District (the "Flow Testing") as part of the collection of the requested water supply information. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to conduct the Flow Testing and provide the water supply information as needed to CFVFD and ESD No. 9.

## **Termination of Service**

Ms. Bonilla-Odums then requested that the Board authorize termination of services to the accounts delinquent in the payment of invoices from the District for water and sewer services. A copy of the Termination Letter list is included with the Operations Report. Ms. Bonilla-Odums said that all of the accounts on the list had been provided with the required notifications pursuant to the District's Consolidated Rate Order. She noted that 54 letters had been sent out with a due date of 3 April 2017. The Board observed that there were no persons present to protest their billings from the District. Upon a motion duly made and seconded, the Board voted unanimously to authorize termination of services to the accounts that remain unpaid on the deadline date.

## **Customer Write-Off Report**

Ms. Bonilla-Odums reviewed with the Board the list of delinquent utility service accounts to be written off (the "Customer Write-Off Report") as prepared by the District's Operator. A copy of the Customer Write-Off Report is included with the Operations Report. The Board noted that there was one delinquent service account in the total amount of \$141.18 that would be written off and turned over to a collection agency. After review, upon a motion duly made and seconded, the Board voted unanimously to write-off the delinquent utility service account and direct the District's Operator to engage a collection agency to pursue collection of the amount owed to the District by the delinquent utility service account listed in the Customer Write-Off Report.

## **Developer's Report**

Next, Mr. Rue presented a brief report on development Grand Oaks Subdivision ("Grand Oaks"). He noted that Woodmere had closed on the sale of 14 houses in Sections 10 and 11 in Grand Oaks during March 2017. The Directors then discussed matters relating to the transfer of reserved capacity in the Plant (the "Capacity") from Richfield to Woodmere. Mr. Yale submitted for the Board's review (1) an electronic mail message dated 28 March 2017 from Mr. Patel regarding the transfer of the Capacity to Woodmere; and (2) the Assignment of Utility Capacity instrument dated 27 October 2016 between Bene Vista Venture and Woodmere that was recorded in the Official Public Records of Real Property of Harris County, Texas. Copies of the electronic mail message and the Assignment of Utility Capacity instrument are attached hereto as exhibits to these minutes.

Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Developer's Report.

## **Attorney's Report**

Mr. Yale presented the Attorney's Report.

## **Approval of Certified Agendas**

The Directors then considered approval of the certified agendas for the executive sessions of 1 February 2017 and 1 March 2017. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the certified agendas for the executive sessions of 1 February 2017 and 1 March 2017, as written.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Attorney's Report.

## **Executive Session**

The Board went into executive session, pursuant to the Open Meetings Act, Section 551.071, Government Code, at 1:05 p.m. to discuss matters relating to potential real estate transactions. The Board returned to open session at 1:30 p.m. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Attorney and Engineer to act as discussed in executive session.

## **Schedule Special Board of Directors Meeting**

Consideration was given to scheduling a special Board meeting in order to discuss and act on matters relating to the Relocation Project. After discussion, the Board agreed to meet at 12:30 p.m. on Tuesday, 18 April 2017, at the offices of Coats Rose.

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 5 April 2017  
Attachments

1. Security Patrol Report;
2. Tax Assessor/Collector's Report;
3. List of delinquent tax accounts;
4. Bookkeeper's Report;
5. Best Trash Monthly Account Summary;
6. Coats Rose memo / WHCRWA;
7. Email from Blake Kridel of Storm Water Solutions, with Transfer Receipts for Sections 2 and 10 of Grand Oaks Subdivision;
8. Letter from Rolling Creek UD / management of storm water quality features in Sections 5 and 6 of Grand Oaks Subdivision;
9. Permittee Certification of Stormwater Quality Management Requirements form;
10. Engineer's Report;
11. Change Order to Proposal for Engineering Services;
12. Proposal to Perform Geotechnical Evaluation and Work Authorization and Agreement;
13. Operations Report;
14. Letter from Harris County Emergency Services District No. 9;
15. Email from Kirti Patel; and
16. Assignment of Utility Capacity instrument.