

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

6 March 2019

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 6th day of March, 2019, at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, 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; Patrick Newton, P.E., John Alvarez, P.E., and Juan Perez, E.I.T., of LJA Engineering & Surveying, Inc., the District's Engineer; Mirna Bonilla-Odums and Cameron Robinson representing Inframark LLC, the District's Operator; Kirti Patel representing Richfield Real Estate Corporation ("Richfield"); and Dick Yale, Will Yale, and David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

Director Gardner called the meeting to order.

Approval of Minutes

The Board first considered approval of the minutes of the meeting of 6 February 2019. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 6 February 2019, as written.

Harris County Contract Deputy Program / Security Patrol Report

The Directors discussed matters relating to the Contract Deputy Program. Mr. Will Yale distributed to the Board copies of the Security Patrol Report for January 2019 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 Patrol 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 eight checks written on the District's tax account, said checks including the transfer to the District's Operating Fund of \$1,057.99 in penalties and interest assessed on delinquent taxes paid to the District, and two transfers by wire as follows: \$7,330.62 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 2018 tax levy was 97.7% 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.

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 2019; (2) the Summary of Costs relating to the District's Series 2019 Bonds; (3) the Budget Comparison for January 2019; (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 February 2019 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 Solid Waste Collection Report.

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 two memoranda from Coats Rose regarding the meetings held on 9 January and 13 February 2019 by the Authority's board of directors. Copies of the memoranda are attached hereto as exhibits to these minutes.

Renewal of Insurance Coverage

The Directors briefly discussed matters relating to the renewal of the District's insurance policies (the "Insurance Policies"), which expire on 1 May 2018. Mr. Yale reported that the District's Attorney had requested a proposal for the renewal of the Insurance Policies (the "Insurance Proposal") from HARCO Insurance Services ("HARCO"). He stated that Corrie Aday of HARCO had informed the District's Attorney that HARCO was working to prepare the Insurance Proposal for consideration at the Board's meeting on 3 April 2019.

District Website

Next, the Directors discussed matters relating to the operation of the District's internet website (the "Website"). Mr. Yale reviewed with the Board an electronic mail message from Off Cinco stating that as of 2 March 2019 there were 47 individuals who had registered through the Website to receive alerts and other messages from the District by electronic mail. A copy of the electronic mail message is attached hereto.

Bear Creek Desilting Project / Harris County

The Board then discussed matters relating to the request from Lecon, Inc., for vehicular access to Bear Creek through the District's sanitary sewer lift station site located at 3910 Barker-Cypress Road in connection with Harris County's project to dredge and remove silt from Bear Creek (the "Desilting Project"). Mr. Dick Yale reported that the District's Attorney had transmitted to the Harris County Flood Control District (the "HCFCD") the Temporary Right of Entry and Construction Easement instrument as approved at the Board's meeting on 6 February 2019. He added that the District's Attorney was awaiting execution by HCFCD of the Interlocal Agreement between the District and the HCFCD for Temporary Right of Entry and Construction Easement.

A discussion then ensued regarding the progress of the Desilting Project. The Board noted that, to date, the portion of Bear Creek that runs along the Amesbury Park Subdivision and the Pine Forest Country Club had not been desilted. Mr. Newton stated that he would contact the project manager for the Desilting Project and inquire about this matter.

Proposal for Arbitrage Compliance Program

Mr. Yale reviewed with the Board the proposal (the "ACSI Proposal") submitted by Arbitrage Compliance Specialists, Inc., for the arbitrage compliance and project fund yield restriction compliance program that addresses requirements of the U.S. Treasury Department and the U.S. Internal Revenue Service with regard to the District's Series 2019 Bonds. Mr. Yale stated that the estimated cost for the initial analysis is \$450. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the ACSI Proposal and to authorize Director Gardner to execute same. A copy of the ACSI Proposal as accepted by the Board is attached hereto and shall be considered to be part of these minutes.

Engineer's Report

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

Amesbury Park Subdivision / Storm Sewer Outfall / Proposed Flap Gate

The Board discussed the contract with Division III + Constructors, Inc. ("Division III") to construct a flap gate on the storm sewer outfall through which storm water drains from Amesbury Park Subdivision into Bear Creek (the "Flap Gate Project"). Mr. Newton reviewed with the Board several photographs of the Flap Gate Project, copies of which are included with the Engineer's Report. He then reported that Division III had submitted Pay Estimate No. 1 in the amount of \$18,576.00 in connection with the Flap Gate Project. A copy of Pay Estimate No. 1 is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of Pay Estimate No. 1.

Water, Sanitary Sewer, and Drainage Facilities to Serve Grand Oaks Subdivision, Section 6

The Directors then discussed the contract between Woodmere Development Co., Ltd. ("Woodmere") and Clearwater Utilities, Inc. ("Clearwater") for the construction of water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 6 ("Section 6"). Mr. Newton reported that the paving contractor had completed the pavement construction in Section 6.

Clearing and Grubbing / Sections 7, 8, and 9 Grand Oaks Subdivision

Mr. Newton stated that he had nothing new to report with regard to the contract between Woodmere and Crostex Construction, Inc. for the clearing and grubbing of Sections 7, 8, and 9 of Grand Oaks Subdivision.

Water, Sanitary Sewer, and Drainage Facilities to Serve Grand Oaks Subdivision, Section 8

The Board then discussed the contract between Woodmere and Clearwater for the construction of water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 8 (the "Section 8 Utilities"). Mr. Newton reported that Clearwater had commenced clearing the construction site for the Section 8 Utilities project.

The Board discussed matters relating to the Section 8 Utilities again later in the meeting during the presentation of the Attorney's Report.

Water, Sanitary Sewer, and Drainage Facilities to Serve Grand Oaks Subdivision, Section 7

Next, the Directors reviewed the bids submitted for the proposed construction of water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 7 (the "Section 7 Utilities"). Mr. Newton reported that seven bids were received by the District's Engineer for the Section 7 Utilities. The Directors noted that the apparent low base bid for the Section 7 Utilities was submitted by Clearwater in the amount of \$534,456.56. A copy of the bid tabulation for the Section 7 Utilities is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the low bid and award the contract for the Section 7 Utilities project to Clearwater.

5.32-Acre Tract on Clay Road / Harris County / Bear Creek Community Center

Next, the Board discussed the proposed development by Harris County of the Bear Creek Community Center (the "Community Center") on two tracts in the District totaling approximately 5.32 acres that are located on Clay Road, west of the Westlake RV Resort. Mr. Newton reported that the District's Engineer had completed the review of the proposed plans for the Community Center (the "Plans"). He noted that the Plans had been provided to the District's Operator for review. Upon the receipt of comments on the Plans from the District's Operator, he continued, the District's Engineer will prepare the No Objection Letter in connection with the Community Center.

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 326,000 gallons of water from its own wells and had purchased 7,562,000 gallons of water from the Authority during the period of ending 6 February 2019, with an accountability rate of 99.3%. Ms. Bonilla-Odums reported that the District has 1,275 active connections. She informed the Board that 11 residential connections were installed during February 2019.

She noted that the District's Wastewater Treatment Plant (the "Plant") operated with its average level of flow at 58% 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 February 2019, copies of which are included with the Operations 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.

Water Plant No. 1 Site / Perimeter Fence

The Board next discussed the condition of the perimeter fence at the Water Plant No. 1 site (the "Fence"). Ms. Bonilla-Odums pointed out to the Board that trees, brush, and vegetation (collectively, the "Vegetation") were encroaching on the Fence. She reviewed with the Board a proposal (the "Turnbuckle Proposal") from Turnbuckle Fencing, LLC (called "Turnbuckle") to (1) remove the Vegetation and other debris from within the Fence; (2) cut down to ground level all trees on the Fence line; and (3) make repairs as needed to the Fence, at a cost not to exceed \$17,500.00 (collectively, the "Vegetation Removal and Fence Repairs"). She noted that the Turnbuckle Proposal included an option to install privacy slats on certain sections of the Fence at a cost of \$6,750.00 (the "Slats Installation"). A copy of the Turnbuckle Proposal is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Turnbuckle Proposal and to authorize the District's Operator to notify Turnbuckle to proceed with the Vegetation Removal, Fence Repairs, and the Slats Installation.

Texas Water Development Board / Water Use Survey

Ms. Bonilla-Odums called the Board's attention to the 2018 Water Use Survey for the District as prepared by the District's Operator for submission to the Texas Water Development Board. A copy of the Water Use Survey is included with the Operations Report.

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 66 letters had been sent out with a due date of 12 March 2019. 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.

Collections Accounts Listing

Ms. Bonilla-Odums reviewed with the Board the Collection Accounts Listing dated 1 March 2019 regarding the delinquent utility service accounts to be turned over to a collection agency. A copy of the Collection Accounts Listing is included with the Operations Report. The Board noted that there was one delinquent service account in the amount of \$112.57 in the Collection Accounts Listing. After review, upon a motion duly made and seconded, the Board voted unanimously to 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 Collection Accounts Listing.

Development Report

The Board briefly discussed the status of the development in Grand Oaks Subdivision ("Grand Oaks"). Mr. Alvarez reported that according to Woodmere there had been six sales and three closings in Grand Oaks during February 2019.

Then Mr. Patel discussed with the Board matters relating to the disbursement of certain proceeds from the sale of the District's Series 2019 Bonds, including the amount paid to Richfield pursuant to the Report on Applying Agreed Upon Procedures prepared by Roth & Eyring, PLLC, the District's Auditor, and approved by the Directors at the Board's meeting on 6 February 2019, as reimbursement to Richfield for eligible development costs related to the development in Grand Oaks, Sections 2, 10, and 11 (the "Reimbursement"). Mr. Patel proposed that the following transactions take place in order to resolve a certain bookkeeping issue between Richfield and Bene Vista Venture, LP ("Bene Vista"), its general partner, with respect to the Reimbursement: (1) Richfield would issue a check payable to the District in the amount of \$17,475.55; and (2) upon the deposit of said check by the District, the District's Bookkeeper would issue a check payable to Bene Vista in the amount of \$17,475.55 (collectively, the "Transactions"). The Directors expressed no objection to the Transactions as proposed by Mr. Patel.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Transactions and to authorize the District's Bookkeeper to draft the check to Bene Vista as described above.

Attorney's Report

Mr. Will Yale presented the Attorney's Report.

Order Declaring Unopposed Candidates Elected to Office

The Board reviewed an ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE in connection with the 4 May 2019 Directors Election. Mr. Yale

noted that according to the Texas Election Code, the District has the authority to (1) declare unopposed candidates to be elected to office since Coats Rose, P.C., the District's Attorney, had certified in writing that the candidates to be listed on the ballot for the referenced election were unopposed; and (2) cancel the election set for 4 May 2019. A copy of the Certificate Regarding Unopposed Candidates executed by the District's Attorney is attached hereto as an exhibit. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Order, a copy of which is attached hereto and shall be considered to be a part of these minutes.

Water, Sanitary Sewer, and Drainage Facilities to Serve Grand Oaks Subdivision, Section 8, continued

The Directors returned to their earlier discussion regarding the Section 8 Utilities. Mr. Yale reviewed with the Board an electronic mail message dated 5 March 2019 from Mr. Newton, a copy of which is attached hereto, in which Mr. Newton stated that Woodmere had inquired about a change order to the contract for the Section 8 Utilities (the "Section 8 Contract") in order to include the construction of a storm water detention pond (the "Detention Pond") at an estimated additional cost of \$175,000.00 (the "Change Order"). Mr. Yale recalled that the cost for the Section 8 Contract as bid was \$1,488,535.33. He remarked that the estimated cost for the Detention Pond was less than 25% of the cost for the Section 8 Contract. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the proposed Change Order for the Section 8 Contract as described above. Mr. Dick Yale stated that the District's Attorney would look into whether the Change Order must be submitted to the Executive Director of the Texas Commission on Environmental Quality.

Series 2019 Bonds

The Board briefly discussed matters relating to the sale earlier this year of the District's \$6,595,000 Unlimited Tax Bonds, Series 2019 (the "Bonds"). Mr. Yale reviewed with the Board two electronic mail messages received through the Website regarding the Bonds, copies of which are attached hereto. He noted that Claire Ballentine of Bloomberg News and Marine Durrieu of Environmental Finance had requested certain information relating to the Bonds. Mr. Yale stated that the District's Attorney had forwarded the electronic mail messages to Rathmann & Associates, L.P., the District's Financial Advisor.

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

Board of Directors Meeting / 1 May 2019

Consideration was then given to conducting the Boards meeting on 1 May 2019 in or near the District. After discussion, the Board agreed to meet on 1 May 2019 at the model residence located at 4203 Grand Sunnyview Lane in the District. The Directors also agreed to conduct a tour of the District's facilities on 1 May 2019.

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

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Secretary, Board of Directors

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Rolling Creek Utility District
Meeting of 6 March 2019
Attachments

1. Security Patrol Report;
2. Tax Assessor/Collector's Report;
3. Bookkeeper's Report;
4. Solid Waste Collection Report;
5. Coats Rose memo / WHCRWA January meeting;
6. Coats Rose memo / WHCRWA February meeting;
7. ACSI proposal / arbitrage compliance services;
8. Engineer's Report;
9. Pay Estimate No. 1 / Flap Gate Project;
10. Bid Tabulation / water, sanitary sewer, and drainage facilities for Grand Oaks Subdivision, Section 6
11. Operator's Report;
12. Proposal from Turnbuckle Fencing, LLC
13. Certificate Regarding Unopposed Candidates;
14. ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE;
15. Email from Patrick Newton;
16. Email from Claire Ballentine; and
17. Email from Marine Durrieu.