

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

7 August 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 7th day of August, 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., and Juan Perez, E.I.T., of LJA Engineering & Surveying, Inc. ("LJA"), the District's Engineer; Don Self representing Inframark LLC ("Inframark"), the District's Operator; Kirti Patel representing Richfield Real Estate Corporation; Richard Rue representing Woodmere Development Company, Ltd. ("Woodmere"); 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 3 July 2019. Mr. Green informed the Board that Ms. Rodriguez had requested a revision to page 2 of the minutes. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 3 July 2019, as amended.

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

The Directors discussed matters relating to the Contract Deputy Program. Mr. Yale distributed to the Board copies of the Security Patrol Report for July 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 five checks written on the District's tax account. Ms. Rodriguez also noted that the District's 2018 tax levy was 99.2% 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.

### **Proposed Agreement for Services of Tax Assessor and Collector**

The Board then considered approval of the proposed Agreement for Services of Tax Assessor and Collector (the "Agreement") between the District and BLICO, Inc. dba Bob Leared Interests, Inc. Ms. Rodriguez presented the Board with execution drafts of the Agreement. Mr. Will Yale called the Board's attention to certain revisions that were made to the Agreement pursuant to the discussion at the Board's meeting on 3 August 2019.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Agreement as revised and to authorize Director Gardner to execute same. A copy of the executed Agreement is attached hereto 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 2020; (2) the Summary of Costs relating to the District's Series 2019 Bonds; (3) the Budget Comparison for June 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 July 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 distributed copies of two memoranda from Coats Rose regarding the meetings of the Authority's board of directors that were held on 12 June and 10 July 2019. Copies of the memoranda are attached hereto as exhibits to 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.

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

Then the Board discussed the contract between Woodmere and Crostex Construction, Inc. (called "Crostex") for the clearing and grubbing of Sections 7, 8, and 9 (the "Clearing"). Mr. Newton reported that Crostex had submitted Pay Estimate No. 1 and FINAL in the amount of \$169,000.00 in connection with the Clearing project. A copy of Pay Estimate No. 1 and FINAL is included with the Engineer's Report. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of Pay Estimate No. 1 and FINAL.

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

The Directors discussed the contract between Woodmere and Clearwater Utilities, Inc. ("Clearwater") for the construction of water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 6 (the "Section 6 Facilities"). Mr. Newton reported that LJA had received a letter of substantial completion from Harris County (the "County") in connection with the Section 6 Facilities.

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

The Directors next discussed the contract between Woodmere and Clearwater for the construction of the water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 7 (the "Section 7 Facilities"). Mr. Newton reported that Clearwater had completed the installation of the Section 7 Facilities. He added that the paving contractor had commenced work on the roadways.

Mr. Newton informed the Board that Bene Vista Venture would need to grant to the District a 0.5512-acre Storm Sewer Easement on the west side of Section 7 of Grand Oaks Subdivision in connection with the proposed Prima Terra development in the District. He noted that Coats Rose was preparing the Storm Sewer Easement instrument for execution by Bene Vista Venture.

## **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 Facilities"). Mr. Newton reported that Clearwater had completed construction of the Section 8 Facilities. He added that the paving contractor had commenced work on the roadways.

Mr. Newton informed the Board that there was an elevation difference between certain lots in Section 8 of Grand Oaks Subdivision ("Section 8") and the adjacent property to be owned by the homeowner association for Section 8 (the "HOA Property"). He called the Board's attention to photographs that depict the difference in elevation between the HOA Property and certain lots in Section 8 (the "Section 8 Lots"). Copies of the photographs are included with the Engineer's Report. He explained to the Board that Woodmere was proposing to (1) cut a portion of the existing berm between the HOA Property and the Section 8 Lots; and (2) re-grade the area in order to improve stormwater drainage (collectively, the "Berm Improvements"). Mr. Newton proposed that the Board authorize the District's Attorney to draft an agreement (the "HOA Agreement") between Woodmere and the homeowner association for Section 8 regarding the Berm Improvements. A discussion ensued regarding the proposed HOA Agreement and the Berm Improvements. Mr. Dick Yale expressed his concern regarding the possibility that stormwater flow from the HOA Property could adversely affect the Section 8 Lots. In response, Mr. Perez stated that the Berm Improvements would result in stormwater flow from the HOA Property being directed to the stormwater detention facility that will serve Section 8. After further discussion, Mr. Rue stated that Woodmere would withdraw its request for the District's Attorney to prepare the HOA Agreement.

## **Electric Easement / Grand Oaks Subdivision, Section 8**

Next, Mr. Newton reported that CenterPoint Energy Houston Electric, LLC ("CenterPoint") had requested that the District grant to CenterPoint a 3.922-acre Electric Easement in Section 8. He reviewed with the Board the Electric Easement instrument as prepared by CenterPoint. Mr. Yale stated that the District's Attorney had reviewed the Electric Easement instrument. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Electric Easement instrument and authorize Director Gardner to execute same. A copy of the executed Electric Easement instrument is attached hereto as an exhibit to these minutes.

## **Water, Sanitary Sewer, and Drainage Facilities to Serve Grand Oaks Subdivision, Section 9**

Mr. Newton reported that LJA had received the final plan approvals from the County for the proposed construction of the water, sanitary sewer, and drainage facilities to serve Grand Oaks Subdivision, Section 9 (the "Section 9 Facilities"). He stated that advertising for bids on the Section 9 Facilities would follow upon authorization from Woodmere to proceed.

## **Bear Creek Desilting Project / Harris County**

The Board then discussed the status of the project undertaken by the County to dredge and remove silt from Bear Creek (the "Desilting Project"). Mr. Newton reviewed with the Board several photographs taken of the Desilting Project in the vicinity of the District. Copies of the photographs are included with the Engineer's Report. Mr. Newton informed the Board that on 12 July 2019 the District's Engineer had met with the contractor on the Desilting Project and the inspector for the Harris County Flood Control District to discuss the project schedule and the timing of the contractor access through the Amesbury Park Lift Station site. He stated that the District's Engineer had been notified that the County is working on an agreement with the Pine Forest Country Club (the "Country Club") to allow contractor access to Bear Creek through the Country Club property. Mr. Newton remarked that the County's agreement with the Country Club, if realized, would delay the contractor access to Bear Creek through the Amesbury Park Lift Station site.

## **Stormwater Quality Permit / Grand Oaks Subdivision, Section 10**

Mr. Newton reported that LJA had received from the County the notification regarding the upcoming renewal of the permit for the stormwater quality features in Grand Oaks Subdivision, Section 10. He stated that LJA had forwarded the notification to Storm Water Solutions, LLC for handling.

## **Resolution Requesting Approval of Texas Commission on Environmental Quality To Release Funds From Escrow**

The Directors discussed matters relating to the RESOLUTION REQUESTING THE APPROVAL OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY TO RELEASE FUNDS FROM ESCROW as adopted at the Board's meeting on 3 July 2019. Mr. Newton stated that LJA was waiting for the District's Operator to confirm the final contractor costs for the emergency repairs made earlier this year to the Amesbury Park Lift Station (the "Final Costs"). Once the Final Costs calculation has been received, he continued, LJA will submit the Resolution and application to the Texas Commission on Environmental Quality.

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

The Directors briefly discussed the proposed development by the 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 recalled that in May 2019 the District's Engineer had transmitted a "No Objection" letter regarding the plans for the Community Center to the design engineer for the Community Center project.

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

### **Operations Report**

Mr. Self distributed the Operations Report for the Board's consideration. He reported that the District had produced 534,000 gallons of water from its own wells and had purchased 14,196,000 gallons of water from the Authority during the period ending 8 July 2019, with an accountability rate of 99.4%. Mr. Self reported that the District has 1,316 active connections. He informed the Board that eight residential connections were installed during July 2019. He noted that the District's Wastewater Treatment Plant (the "Plant") operated with its average level of flow at 63% of its rated capacity during the reporting period.

Mr. Self 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 July 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.

## **Wastewater Treatment Plant**

The Board discussed the condition of the Plant. Mr. Self informed the Board that the replacement of the freeboard on the aeration basin at the Plant, as authorized at the Board's meeting on 5 June 2019, was complete.

## **Termination of Service**

Mr. Self 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. Mr. Self said that all of the accounts on the list had been provided with the required notifications pursuant to the District's Consolidated Rate Order. He noted that 68 letters had been sent out with a due date of 14 August 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.

## **Customer Write-Off Report**

Mr. Self 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 were two delinquent service accounts in the total amount of \$209.61 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 accounts and direct the District's Operator to engage a collection agency to pursue collection of the amounts owed to the District by the delinquent utility service accounts listed in the Customer Write-Off Report.

## **Developer's Report**

Next, Mr. Rue presented a brief report on development in Grand Oaks Subdivision ("Grand Oaks"). He informed the Board that, year-to-date, there had been 41 sales and 39 closings in Grand Oaks. Mr. Rue discussed with the Board the projected price range for the residences to be constructed in Sections 9 and 10 of Grand Oaks. Mr. Patel briefly addressed the Board on matters relating to the possible development of a certain 40-acre tract in the District located south of Clay Road. Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Developer's Report.

## **Attorney's Report**

Mr. Will Yale presented the Attorney's Report.

## 86th Texas Legislature

Mr. Yale submitted to and reviewed with the Board a memorandum prepared by the District's Attorney that summarizes certain bills (the "Bills") approved by the 86th Texas Legislature – Regular Session (2019) (the "Legislature") regarding certain information that will be required to be posted on water district websites. A copy of the memorandum is attached to and shall be considered to be part of these minutes.

Mr. Yale then reviewed with the Board a letter dated 26 June 2019 from Coats Rose to the District's Operator regarding Senate Bill 239 ("SB 239") as approved by the Legislature. A copy of the letter is attached hereto as an exhibit to these minutes. Pursuant to SB 239, he told the Board, the following statement must be included on the bills that the District's Operator sends to the District's customers: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database ([spdpid.comptroller.texas.gov](http://spdpid.comptroller.texas.gov)) or [www.rollingcreekud.com](http://www.rollingcreekud.com)."

Finally, Mr. Yale submitted to and reviewed with the Board a memorandum prepared by the District's Attorney that summarizes certain Bills approved the Legislature that would affect (1) the operation of the District; (2) the sale of bonds by the District; (3) annexation of property by municipalities; and (4) contracting and procurement by the District. A copy of the memorandum 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 Attorney's Report.

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



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Secretary, Board of Directors

Rolling Creek Utility District  
Meeting of 7 August 2019  
Attachments

1. Security Patrol Report;
2. Tax Assessor/Collector's Report;
3. Agreement for Services of Tax Assessor and Collector;
4. Bookkeeper's Report;
5. Solid Waste Collection Report;
6. Coats Rose memo / WHCRWA meeting on 12 June 2019;
7. Coats Rose memo / WHCRWA meeting on 10 July 2019;
8. Engineer's Report;
9. Electric Easement / CenterPoint Energy Houston Electric, LLC;
10. Operations Report;
11. Coats Rose memo / new items required for website;
12. Coats Rose letter to Inframark; and
13. Coats Rose memo / legislative summary.