

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

February 9, 2018

The Board of Directors (the "Board") of Harris County Improvement District No. 4 d/b/a The Energy Corridor District (the "District") met in regular session, open to the public, on the 9th day of February, 2018, at 777 Eldridge Parkway, Suite 270, Houston, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

David W. Hightower	President
Robert Halick	Vice President
Steve West	Secretary
Brandon Kerr	Assistant Secretary
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Tom Halaska	Director
Peter Lee	Director

and all of the above were present except Directors Kerr and Johnston, thus constituting a quorum.

Also present at the meeting were Clark Martinson, Executive Director for the District; Ali Lamkahouan, Controller for the District; Kelly Rector, TDM Program Manager for the District; Fabiana Demarie, Urban Planner for the District; Robert Rayburn, Landscape Architect for the District; Rachael Weaver, Community Relations Coordinator for the District; Michelle Lofton of ETI Bookkeeping Services; Pat Hall of Equi-Tax, Inc.; Scott Saenger and Kristen Hennings of Jones|Carter; Sergeant Phillip Bennett of Harris County Constable Precinct 5; Les Lee and Josh Bowie of eSiteful; Margarita Dunlap of METRO; George Nino of KYO Institute; and Jessica Carr and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

ESTABLISH A QUORUM AND CALL THE MEETING TO ORDER

Having established that a quorum of the Board was present, Director Hightower called the meeting to order.

MINUTES

The Board first considered the minutes of the January 12, 2018, regular meeting and the January 24, 2018, special meeting. Following discussion and review, Director Halaska moved to approve the minutes as submitted. The motion was seconded by Director Halick and passed unanimously.

ASSESSMENT AND COLLECTION MATTERS AND STATUS OF HARRIS COUNTY APPRAISAL DISTRICT LAWSUITS

Ms. Hall reviewed the assessment collector's report for January, a copy of which is attached. She also reviewed a chart regarding the status of District assessment payers' lawsuits against the Harris County Appraisal District ("HCAD"), a copy of which is attached. Following discussion and review, Director Halaska moved to accept the assessment collector's report. The motion was seconded by Director Halick and passed by unanimous vote.

Ms. Carr discussed a discrepancy with the description of the Live Oak Apartments property that was previously annexed into the District. Ms. Carr presented and reviewed a Correction Order Adding Land to resolve the discrepancy so that the property will be reflected accurately in HCAD's records. Following discussion and review, Director Fincher moved to adopt the Amended and Restated Order Adding Land. The motion was seconded by Director Elgohary and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the January cash management, capital funds and investment report, a copy of which is attached, and reviewed the bills presented for payment from the District's accounts. Following review and discussion, Director Fincher moved to approve the bookkeeper's report and payment of the bills presented in the report. Director Halaska seconded the motion, which was approved by unanimous vote.

ADMINISTRATIVE

2018 VARIANCE BUDGET

Mr. Lamkahouan distributed and reviewed the 2018 budget and a budget summary for the 2018 year to date, copies of which are attached.

RELATIONAL DYNAMICS AT WORK HR CONSULTING PROPOSAL

Mr. Martinson discussed the proposal submitted by Relational Dynamics at Work ("RDW") to assist with strategic planning and improvements for the administration and operations of the District for a fee of \$2,000 per month. Director Hightower reported on a meeting with Thomas Billings of RDW to review the proposal. After review and discussion, Director Elgohary moved to approve the proposal from RDW, subject to a 10 days' notice of termination provision. Director Lee seconded the motion, which passed unanimously.

WELLS FARGO USER SETUP AUTHORIZATION

Ms. Carr discussed a form required by Wells Fargo to allow him to access the online bank portal to download copies of cashed checks for the Park Row project, which were requested by the City. He said the form must be executed by an authorized representative of the District. Upon a motion made by Director Fincher and seconded by Director Elgohary, the Board voted unanimously to authorize the President to execute the form.

ECD PUBLIC SAFETY AND SECURITY PROGRAM

Sergeant Bennett reported on January patrols and activity.

CDS COMMUNITY DEVELOPMENT SERVICES 2018 ECD LAND USE AND DEMOGRAPHICS STUDY PROPOSAL

The Board reviewed a proposal from CDS Market Research for the annual update of land use and demographics information for a cost of \$16,000 plus expenses. The Board asked for clarification with regard to review of the draft report prior to finalization. After review and discussion, Director Halick moved to approve the proposal from CDS Market Research, subject to final review by ABHR to the clarify draft review. Director Halaska seconded the motion, which passed unanimously.

PARK ROW COMPLETION PROJECT

PARK ROW PHASE II EXPENSES

Mr. Martinson reviewed the monthly expenses for Phase II of the Park Row Completion Project totaling \$6,801.25, which were reflected in the bookkeeper's report. After review and discussion, Director Halick moved to approve payment of the monthly expenses for Phase II of the Park Row Completion Project. Director Fincher seconded the motion, which passed unanimously.

Mr. Martinson discussed the necessary easement that must be obtained from the U.S. Army Corps of Engineers to close out the Park Row project with the City of Houston (the "City"). He said the easement will not be granted until the District completes the bank stabilization improvements to Langham Creek under the Park Row Bridge, which the engineer estimates to cost \$1,000,000 for design and construction. Mr. Martinson discussed the bank stabilization construction and engineering project costs that will be eligible for 90% reimbursement from the Federal Emergency Management Agency ("FEMA"). Mr. Martinson discussed the anticipated timeline for receiving reimbursement from the City for the Park Row Phase II work. Mr. Martinson reported on a request to the City to increase the maximum reimbursement provided in the Economic Development Agreement to cover the bank stabilization project design, FEMA administration, interest payments, and right-of-way reimbursements to Central Park West for Park Row Phase I.

JONES & CARTER PROPOSAL FOR LANGHAM CREEK USACE BANK MITIGATION CDS

Mr. Saenger reported on a meeting with USACE representatives to discuss options for the bank stabilization improvements needed for Langham Creek due to impacts from Hurricane Harvey. He discussed the consensus for adding a concrete foundation to the outfall pipe and removing the existing concrete block, in addition to adding rip-rap on both sides of Langham Creek. Mr. Saenger presented a proposal from Jones|Carter to design and bid the project and provide construction inspection services. He estimated a cost of \$100,000 for these services, which also includes administrative fees associated with preparation and submittal of paperwork to qualify for and receive disaster funding from FEMA for eligible expenses. After review and discussion, Director Elgohary moved to approve the proposal from Jones|Carter and authorize design of the bank stabilization project. Director Fincher seconded the motion, which passed unanimously.

ECD PROJECT MANAGEMENT

PARK ROW IRRIGATION AND TREE PROCUREMENT AND PLANTING BIDS

Mr. Rayburn discussed proposals received to plant and irrigate live oak trees in the esplanades along Park Row east of Central Park West. He reviewed a proposal from Hou-Scape Inc. to plant, maintain, and warranty the trees for one year for a cost of \$32,175.00. Mr. Rayburn reviewed a second proposal from Hou-Scape Inc. to install, maintain, and warranty the necessary irrigation to establish the trees for one year for a cost of \$32,743.05, which includes two meter taps. Mr. Rayburn then reviewed a proposal from Just Trees, Inc. to supply and deliver the live oak trees for a cost of \$24,750.00. After review and discussion, Director Halaska moved to approve the proposals from Hou-Scape Inc. for a combined total of \$64,918.05, subject to the existing Master Services Agreement, and the proposal from Just Trees, Inc. in the amount of \$24,750.00. Director Halick seconded the motion, which passed unanimously.

IH 10 INTERSECTIONS ENHANCEMENT CHANGE ORDERS 2 AND 3

Mr. Rayburn reviewed proposed Change Order Nos. 2 and 3 to the Advance Funding Agreement with the Texas Department of Transportation for the IH 10 Intersections Enhancement Project, which increase the contract amount by \$23,656.09 and \$1,156.92, respectively, for costs associated with the revised Traffic Control Plans for the project. He noted that payment for the District's 20% share of the total project expenses will not be owed until the project is complete and an audit of actual expenses is conducted. After review and discussion, Director Fincher moved to approve Change Order Nos. 2 and 3 to the Advance Funding Agreement. Director West seconded the motion, which passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

BP MS150 ENERGY CORRIDOR START ON PARK ROW

Mr. Martinson reported that the 2018 BP MS150 will begin in the Energy Corridor at the Omni Hotel on Park Row. He discussed possible ways for the District to be involved in organizing with companies to promote the Energy Corridor at the start of the event.

ECD ORGANIZATION AND STAFF ASSIGNMENTS

Mr. Martinson reviewed an updated organizational chart for the District and discussed the responsibilities of the consultants and staff. He also reviewed staff assignments for 2018.

ECD BOD STRATEGIC PLANNING WORKSHOP

Mr. Martinson reviewed a draft 2018 Strategic Plan for the District that was prepared by District staff. He said the next step is to schedule a workshop to review and finalize the Plan with the Board.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A DISTRICT EMPLOYEE

At 10:02 a.m., Director Hightower announced that the Board would meet in executive session pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of District employees. All attendees left the meeting except the Board members, Ms. Carr, and Ms. Panozzo.

RECONVENE IN OPEN SESSION AND RECEIVE REPORT FROM COMPENSATION COMMITTEE REGARDING EVALUATION OF DISTRICT EMPLOYEES

At 10:49 a.m., Director Hightower announced that the Board would reconvene in open session. Mr. Martinson reentered the meeting. Upon reconvening in open session, Director Halick moved to authorize execution of a Separation Agreement between the District and Mr. Martinson and direct that the Agreement be filed appropriately and retained in the District's official records. Director Fincher seconded the motion, which passed by unanimous vote. The Board thanked Mr. Martinson for his contributions to the District.

ACCEPT RESIGNATION OF DIRECTOR WEST AND APPOINT NEW DIRECTOR

Director West discussed his resignation from the Board. The Board commended Director West's contributions to the District since inception and wished him well in his future endeavors.

The Board next considered appointing David L. Lane to the Board, who has been recommended by Wolff Companies to replace Director West in Board position #8 for the unexpired term ending June 1, 2019. The Board reviewed a letter from Mr. Lane expressing interest in appointment to the Board.

After review and discussion, Director Halick moved to accept Director West's resignation and appoint David L. Lane to position no. 8 on the Board. Director Elgohary seconded the motion, which passed unanimously.

APPROVE SWORN STATEMENT, OATH OF OFFICE, AND OFFICIAL BOND OF NEW DIRECTOR

This item was tabled.

REORGANIZATION OF BOARD AND EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered reorganizing. Ms. Carr stated that the District is required to file an updated District Registration Form with the Texas Commission on Environmental Quality reflecting the new District Director and any changes in offices. Following review and discussion and upon a motion made by Director Elgohary and seconded by Director Halaska, the Board voted unanimously to reorganize the Board and authorize execution and filing of the District Registration Form reflecting Director Lane in position no. 8 and the following offices:

David W. Hightower	President
Robert Halick	Vice President
D. Bruce Fincher	Secretary
Brandon Kerr	Assistant Secretary
Peter Elgohary	Director
Peter D. Johnston	Director
Tom Halaska	Director
Peter Lee	Director
David L. Lane	Director

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

This item was tabled.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

This item was tabled.

NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on March 9, 2018, subject to confirming a quorum.

ADJOURN

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

Secretary, Board of Directors

(SEAL)