

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

December 11, 2015

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 11th day of December, 2015, at 14701 St. Mary's Lane, Suite 290, 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
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Chuck Cervas	Director
Kmeal O. Winters	Director
Brandon Kerr	Director

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

Also present at the meeting were Clark Martinson, General Manager for the District; Katherine Wallace, current Finance and Economic Development Manager for the District; Ali Lamkahouan, new Finance and Administration Manager for the District; Shelley Malone, Assistant to Finance and Economic Development Manager for the District; Kelly Rector, Transportation Coordinator for the District; Robert Rayburn, Senior Project Manager for the District; Rachael Weaver, Community Relations Coordinator for the District; John Nuñez, Transportation Manager for the District; Fabiana Demarie, Urban Planning Associate for the District; Les Lee and Joshua Bowie of eSiteful; Pat Hall of Equi-Tax, Inc.; Michelle Lofton of ETI Bookkeeping Services; Darren Willis, Scott Saenger, and Erin Williford of Jones & Carter, Inc.; Mark Klein; Tayo Ilori of McGrath & Co., PLLC; Officer Chris Englehardt of the City of Houston Police Department; and Jessica Holoubek and Kristen Hogan 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.

WELCOME ALI LAMKAHOUAN, NEW FINANCE AND ADMINISTRATION MANAGER

Mr. Martinson introduced Mr. Lamkahouan to the Board as the District's new Finance and Administration Manager. The Board welcomed Mr. Lamkahouan.

MINUTES

The Board first considered the minutes of the November 20, 2015, regular meeting. Following discussion and review, Director Fincher moved to approve the minutes as submitted. The motion was seconded by Director West and passed unanimously.

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

Ms. Hall reviewed the assessment collector's report for November, 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, a copy of which is attached. Following discussion and review, Director Cervas moved to accept the assessment collector's report. The motion was seconded by Director Fincher and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the November 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 Cervas moved to approve the bookkeeper's report and payment of the bills presented in the report. Director Fincher seconded the motion, which was approved by unanimous vote.

2015 YTD VARIANCE, 2016 AND 5-YEAR/10-YEAR BUDGETS

Ms. Wallace reviewed the year-to-date budget summary, a copy of which is attached. She also reviewed the proposed 2016 budget, noting the possibility of changes based on recommendations by the compensation committee.

Mr. Martinson reviewed updated budget scenarios with estimated costs for discussion at the Transportation Workshop to be held in January. Director Fincher noted that the percentage of discretionary funds allocated to bike trails seems too high.

Director Hightower noted that today is Ms. Wallace's last time to present the year-to-date budget summary because she is retiring at the end of the year. Mr. Martinson presented Ms. Wallace with a retirement gift from the District. Ms. Wallace

thanked the Board, District staff, and consultants for their support during her tenure with the District. She noted that Mr. Lamkahouan will be a great asset to the District. Director Hightower expressed the Board's sincere appreciation to Ms. Wallace for her tireless dedication to the District during her employment.

ENGAGE MCGRATH & CO., PLLC TO PREPARE FINANCIAL STATEMENT FOR FISCAL YEAR ENDING DECEMBER 31, 2015

Mr. Ilori reviewed an engagement proposal from McGrath & Co., PLLC to perform year-end accounting work for the District. Following review and discussion, Director Kerr moved to approve the proposal from McGrath & Co., PLLC. Director Winters seconded the motion, which passed unanimously.

ENGAGE MCCALL GIBSON SWEDLUND BARFOOT PLLC FOR FISCAL YEAR ENDING DECEMBER 31, 2015

The Board reviewed an engagement letter for McCall Gibson Swedlund Barfoot PLLC to conduct the District's audit for fiscal year end December 31, 2015, including a single audit of federal grant funds over \$500,000. Following discussion and review, Director Fincher moved to engage McCall Gibson Swedlund Barfoot PLLC to conduct the audit for the fiscal year ending December 31, 2015, including the single audit of federal grant funds. Director Cervas seconded the motion and it was unanimously approved.

PREPARATION AND FILING OF ANNUAL REPORT TO CITY OF HOUSTON

Ms. Holoubek discussed the annual report that must be prepared and sent to the City of Houston (the "City") in accordance with the Economic Development Agreement between the District and the City. Upon a motion made by Director Fincher and seconded by Director West, the Board voted unanimously to authorize preparation and filing of the annual report with the City as required pursuant to the Economic Development Agreement. Mr. Martinson noted that Mr. Lamkahouan would be preparing the report this year.

COMMUNICATIONS PLAN AND PROPOSAL FROM ESITEFUL

Mr. Lee gave a presentation regarding the District's 2016 Communications Plan and reviewed a proposal from eSiteful in the amount of \$177,700 for the 2016 Communications Plan. The Board discussed communications regarding the status of construction activity and occupancy rates within the District. After review and discussion, Director Cervas moved to approve the proposal from eSiteful. Director West seconded the motion, which passed unanimously.

MEMORIAL/ELDRIDGE INTERSECTION UTILITIES AND ENHANCEMENT PROJECT

Ms. Demarie updated the Board on plans for enhancements and burial of overhead utilities at the Memorial Drive/Eldridge Parkway intersection to be coordinated with the City's plans to reconstruct Turkey Creek Bridge and the intersection. She said District staff requested a proposal from Civiltech, the City's engineer for the project, to amend their drainage study, identify methods to mitigate drainage changes, revise the culvert headwalls detail, and modify the construction documents to extend the culverts pursuant to the preliminary design by Jacobs. Ms. Demarie said the Civiltech proposal will be presented at a future meeting for the Board's consideration.

ECD TRANSPORTATION WORKSHOP JANUARY 2016

Mr. Martinson discussed proposed plans to conduct the Transportation Workshop on January 20, 2016, subject to confirming the date with the Board members. He discussed the various stakeholders and consultants that will be invited to attend the Workshop.

PARK ROW COMPLETION PROJECT

Mr. Rayburn updated the Board on the Park Row Phase I street lighting project.

Mr. Willis updated the Board on the improvements to the TRT Development Company surface parking lot and electrical improvements. He presented and recommended Board approval of Pay Estimate No. 1 and Final in the amount of \$88,143, payable to KSH Services, LLC, and the Certificate of Acceptance for the electrical improvements project.

Mr. Willis next updated the Board on the Park Row Phase II Force Main project by Alcott, Inc. dba TCH. He said the contractor has mobilized and he informed the Board that during construction the contractor encountered a contaminated area in the vicinity of an abandoned pipeline. Mr. Willis recommended providing notice to the pipeline company of the contaminated area.

Mr. Willis then discussed the Phase II Park Row Completion Project paving, bridge, and utility work, which was awarded at last month's meeting. He reported on efforts to prepare the construction contract documents for review by the City.

Director Hightower reported on the First Amendment to Economic Development Agreement that was negotiated with the City. He said City Council will consider the First Amendment to Economic Development Agreement at its next meeting. He reported on continued efforts to negotiate with the City to amend the Interlocal

Development Agreement related to the Park Row Completion Project to increase the maximum reimbursement amount for the project.

Director Hightower discussed soil contamination discovered in the ground adjacent to the force main originating from a petroleum pipeline previously located within the area. Director Hightower further noted that the District may incur additional costs to mitigate spreading the contamination. Discussion ensued regarding recovery of damages from the pipeline company.

Ms. Wallace reviewed the monthly expenses associated with the Phase II Park Row Completion Project totaling \$134,116.55 to be paid from capital funds.

Following review and discussion, Director Cervas moved to (1) approve Pay Estimate No. 1 and Final in the amount of \$88,143 and the Certificate of Acceptance for the improvements to the TRT Development Company electrical improvements, based on the engineer's recommendation; (2) approve the First Amendment to Economic Development Agreement between the District and the City; (3) authorize the attorney to negotiate recovery of damages related to contaminated areas encountered during construction; and (4) approve the monthly expenses associated with the Phase II Park Row Completion Project totaling \$134,116.55. Director Fincher seconded the motion, which passed unanimously.

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 9:20 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. Holoubek, and Ms. Hogan.

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

At 9:43 a.m., Director Hightower announced that the Board would reconvene in open session. Upon reconvening in executive session, Director Kerr moved to accept the recommendations of the compensation committee for staff salaries and bonuses, authorize Director Hightower to execute the employment letter for Mr. Martinson, and authorize Mr. Martinson to execute employment letters for the other District employees. Director West seconded the motion, and it carried unanimously.

Director Cervas left the meeting.

APPROVE 2016 BUDGET

The Board considered approving the District's proposed budget for the fiscal year ending December 31, 2016. After review and discussion, Director Fincher moved to adopt the 2016 budget as presented. Director Winters seconded the motion, which passed unanimously.

ECD TRANSIT UPDATE

Mr. Nuñez updated the Board on negotiations with Fort Bend County Transit for an interlocal agreement to provide transit service from Fort Bend County to the District, as previously authorized by the Board. He said the proposed interlocal agreement will be provided for attorney review and Board consideration by the February 2016 meeting. Mr. Nuñez also reported on coordination with Fort Bend County Transit to identify a location for an offsite parking facility for the transit vehicles that will provide commuter service. He then discussed the projected timeline for submittal of revised grant application documents to the Houston-Galveston Area Council ("HGAC") by May 2016.

ECD CAR SHARE PROGRAM CMAQ GRANT AND HOUSTON BIKE CHALLENGE RESULTS

Ms. Rector reported on the CMAQ Car Share grant program and marketing efforts.

Ms. Rector next updated the Board on the Houston Bike Challenge, noting it was extended through December 7, 2015. She reviewed preliminary participation numbers and said the final results will be available at next month's meeting.

HOUSTON POLICE DEPARTMENT AND NEIGHBORHOOD PROTECTION AND CODE ENFORCEMENT UPDATE

Ms. Wallace presented and reviewed reports on the District's security patrols, neighborhood protection, and code enforcement. She noted reports of restaurant burglaries.

GENERAL MANAGER'S REPORT

Mr. Martinson reviewed accomplishments during 2015 and goals for 2016, including a new organizational chart associated with the District's new Service Plan.

Mr. Martinson gave an overview of the presentation he will make at the urbanization international symposium in Milan, Italy on December 16, 2015.

Mr. Martinson reported on annexation efforts to be pursued in 2016.

Mr. Martinson then thanked Ms. Wallace again for her 10 years of service to the District and efforts toward prior annexations and service plans, noting that Ms. Wallace is transitioning to a part-time position to assist with the transition of responsibilities to Mr. Lamkahouan. Ms. Wallace commended Ms. Malone for her support and efforts on the new Service Plan.

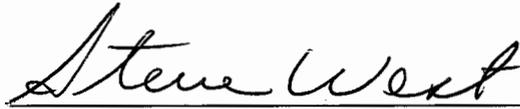
NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on January 8, 2016, subject to confirming a quorum.

ADJOURN

There being no further business to come before the Board, Director West moved to adjourn the meeting. Director Fincher seconded the motion, which was unanimously approved.




Secretary, Board of Directors

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