

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

June 9, 2008

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 18 of Harris County, Texas (the "District"), met in regular session, open to the public, on the 9th day of June, 2008, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Arved White	President
Roy A. Beversdorf	Vice President
Michael L. Murr	Secretary
Robert A. Bernardini	Assistant Vice President
Vacant	Assistant Secretary

and all of the above were present except Director Bernardini, thus constituting a quorum.

Also present at the meeting were Tiny Williams and Robin Humphreys of Wheeler & Associates, Inc.; Gus Gustafson of SWWC Services, Inc.; Mark Adam of AEI Engineering, Inc.; Wendy Austin of District Data Services, Inc.; and David Oliver and Janet Eisenberg of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the May 12, 2008, meeting. After review and discussion, Director Beversdorf moved to approve the minutes of the May 12, 2008, meeting. Director Murr seconded the motion, which passed unanimously.

APPROVE DEVELOPER REIMBURSEMENT REPORT FOR HIDDEN FALLS AND
AUTHORIZE DEVELOPER REIMBURSEMENT

Mr. Oliver stated Sandersen Knox & Belt L.L.P. is in the process of preparing a final developer reimbursement report for the Hidden Falls project. He stated that the auditor has confirmed that they have substantiated all construction costs for the project. Mr. Oliver stated that, pursuant to the Agreement for Financing of Facilities, the District can make a partial reimbursement to Great Pines, Partnership from the operating account in the amount of \$180,000. After review and discussion, Director White moved

to authorize reimbursement to Great Pines, Partnership from the operating fund in the amount of \$180,000. Director Beversdorf seconded the motion, which passed by unanimous vote.

BOOKKEEPER'S REPORT

The Board received the bookkeeper's report and considered paying the bills. Ms. Austin reviewed the written report, budget comparison, and schedule of investments, copies of which are attached. After review and discussion, Director Beversdorf moved to approve the bookkeeper's report, the investment report and payment of the bills. Director Murr seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Williams reviewed the tax assessor/collector's report with the Board of Directors, a copy of which is attached. She reported that 97.30% of the 2007 taxes have been collected to date. After review and discussion, Director Beversdorf moved to approve the tax assessor/collector's report and the tax bills presented for payment. Director Murr seconded the motion, which carried unanimously.

APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL FOR USE OF SURPLUS FUNDS, RELEASE OF FUNDS FROM ESCROW, AND USE OF MAINTENANCE TAX REVENUE

Mr. Oliver updated the Board on the preparation of the District's application to the Texas Commission on Environmental Quality (the "TCEQ") to use maintenance tax revenue, \$91,925 in escrowed funds from the Series 1992 Bonds, and surplus funds to reimburse Great Pines Partnership for water, sewer, and drainage facilities to serve the Hidden Falls development.

AUTHORIZE ENGINEER TO DESIGN CHLORAMINE DISINFECTION CONVERSION AT WATER PLANTS

Mr. Adam discussed the design of the chloramine disinfection conversion at the water plants necessary to receive surface water from the North Harris County Regional Water Authority (the "NHCRWA"). Director Beversdorf moved to authorize the engineer to commence the design of plans for the chloramine disinfection conversion at the water plants. Director Murr seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Mr. Adam reviewed the engineer's report, a copy of which is attached. After review and discussion, Director Beversdorf moved to approve the engineer's report. Director Murr seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Gustafson reviewed the operator's report with the Board, a copy of which is attached. He stated that the District has received a new contract from Samco, Inc. for leak detection services. He stated that the contract would commence January 1, 2009, for a three year term. After review and discussion, Director Beversdorf moved to approve the operator's report and the contract with Samco, Inc. Director Murr seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board reviewed the termination notices for delinquent customers. Mr. Gustafson stated that the customers on the attached termination list were mailed written notice prior to this meeting notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated because of nonpayment, all as required by the District's Rate Order. After review and discussion, and there being no one present to protest termination, Director Beversdorf moved to terminate service to the customers because no customers were either present at the meeting or had presented any written statement on the matter. Director Murr seconded the motion, which passed unanimously.

REPORT ON DAMAGES TO DISTRICT FACILITIES AND AUTHORIZE APPROPRIATE ACTION, INCLUDING DISCUSS IMPOSING FINES AND PENALTIES FOR VIOLATIONS UNDER THE DISTRICT'S RATE ORDER

There was no discussion on this agenda item.

DISTRICT'S WEBSITE

Director Beversdorf updated the Board on the District's website.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Murr updated the Board on the NHCRWA's recent activities.

CYPRESS CREEK FLOOD CONTROL COALITION ("COALITION")

There was no discussion on this agenda item.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC")

Director White updated the Board on LFPAC activities.

CONSTABLE SECURITY PATROL

The Board reviewed a report on constable security patrol.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board tabled discussion on this agenda item.

DISCUSS JULY MEETING DATE AND RESCHEDULE MEETING

The Board concurred to conduct the next meeting on July 22, 2008, at 11:00 a.m.

ACTION LIST

The Board reviewed the action list.

RECEIVE REPORTS FROM DISTRICT DIRECTORS AND CONSULTANTS

Director Beversdorf reviewed correspondence the District received from Public Power Pool, the District's energy provider, a copy of which is attached. He stated that the letter outlines notice of the 2009 procurement proposal. The Board concurred that the District should continue to be a member of Public Power Pool. Director Beversdorf stated that Director Bernardini will inform the Public Power Pool that the District desires to continue to participate in the pool.

The Board discussed the District's Travel Policy and the Association of Water Board Directors summer conference. After discussion, Director Beversdorf moved to authorize the directors attending the conference to receive four per diems and reimbursement for meals during the conference with the exception of lunch on Friday and Saturday of the conference. Director Murr seconded the motion, which passed by unanimous vote.

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

Vice President, Board of Directors

(SEAL)

ACTION LIST

1. The consultants will prepare the District’s application to the TCEQ to use maintenance tax revenue, escrowed funds and surplus funds to reimburse Great Pines, Partnership.

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