

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

August 10, 2009

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 10th day of August, 2009, 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, thus constituting a quorum.

Also present at the meeting were Louise Williams of Wheeler & Associates, Inc.; Gus Gustafson of SWWC Services, Inc. ("SWWC"); Mark Adam of AEI Engineering, Inc.; Stephanie Viator of District Data Services, Inc.; and David Oliver and Janet Swartz 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 July 6 and August 4, 2009, meetings. After review and discussion, Director White moved to approve the minutes of the July 6 and August 4, 2009, meetings. Director Beversdorf seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Williams reviewed with the Board the tax assessor/collector's report, a copy of which is attached. She reported that 98.65% of the 2008 taxes have been collected to date. She reviewed a list of accounts that can be moved to the Uncollectible Tax Roll. After review and discussion, Director Beversdorf moved to approve the tax assessor/collector's report, the tax bills presented for payment, and to authorize the transfer of the uncollectible tax accounts to the Uncollectible Tax Roll. Director Murr seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Adam reviewed the engineer's report, a copy of which is attached.

Mr. Adam discussed updated information from Harris County Precinct 4 regarding the expansion of Grant Road.

Mr. Adam updated the Board on the contract for the chloramine disinfection conversion at the water plants.

Mr. Adam reviewed test results for calcium at the Malcomson Road water plant.

Mr. Adam updated the Board on the water supply connection with the North Harris County Regional Water Authority ("NHCRWA") and the Malcomson Road and Grant Road water line improvements.

Mr. Adam reported that he has not had any further communications from Windstorm Plus Engineering, Inc. regarding the Cypress Storage Facility to be located at the corner of Grant Road and Malcomson Road.

Mr. Adam reviewed a report on the Lake Forest Plant Advisory Council July meeting.

After review and discussion, Director White moved to approve the engineer's report. Director Bernardini seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Mr. Gustafson reviewed the operator's report with the Board, a copy of which is attached. Director Beversdorf stated that the District received a letter from Mr. Handler, a District resident, regarding a water leak. Mr. Gustafson stated that he will follow up on the water leak reported by Mr. Handler. Director Beversdorf stated that he responded to Mr. Handler's questions regarding water rates. Director Beversdorf stated he also responded to a question from Ms. Taylor, a District resident, regarding the NHCRWA. After review and discussion, Director Bernardini moved to approve the

operator's report. Director White seconded the motion, which passed by unanimous vote.

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 Bernardini 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 White seconded the motion, which passed unanimously.

REPORT ON DAMAGES TO DISTRICT FACILITIES

There was no discussion on this agenda item.

EMERGENCY RESPONSE PLAN

The Board discussed the IRIS program which provides emergency phone notification.

Mr. Oliver stated that he will revise the District's Emergency Preparedness Plan to include ESID numbers for the District's electricity accounts and site plans for the District's facilities. The Board concurred to consider approval of an amended Emergency Preparedness Plan at the next meeting.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director Murr updated the Board on NHCRWA activities. He stated that the NHCRWA plans to raise the water pumpage fee from \$1.50 per thousand gallons to \$2.25 to \$2.50 per thousand gallons in January, 2010. Director Beversdorf stated that he will add information on water rates and the expected increase from the NHCRWA to the District's website. Mr. Oliver explained that the Rate Order states that all users shall be billed monthly a per 1,000 gallons of water charge equal to 108% (rounded up to the nearest whole number) of the per 1,000 water pumpage gallon fee imposed on the District by the NHCRWA. The Board concurred to amend the Rate Order at the next meeting.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC")

Director White updated the Board on LFPAC activities.

CONSTABLE SECURITY PATROL

The Board reviewed a report on the constable security patrol.

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

Secretary, Board of Directors

(SEAL)

ACTION LIST

1. Director Beversdorf and Mr. Adam will work on the notice to customers regarding changing from free chlorine to chloramines.
2. The operator will provide the Board with information on the cost of door hangers.

LIST OF ATTACHMENTS TO MINUTES

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