

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

February 22, 2010

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 22nd day of February, 2010, 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.; Wendy Austin 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 January 11 and January 27, 2010, meetings. After review and discussion, Director Bernardini moved to approve the minutes of the January 11 and January 27, 2010, meetings. Director Beversdorf seconded the motion, which passed by unanimous vote.

Mr. Oliver noted that the minutes of the December 14, 2009, meeting need to be revised to reflect the Board's approval of Pay Estimate No. 4 to R&B Group, Inc. After review and discussion, Director Bernardini moved to approve the revision to the December 14, 2009, minutes. Director Beversdorf seconded the motion, which carried unanimously.

2010 DIRECTORS ELECTION

The Board discussed the District's May 8, 2010, directors election. Mr. Oliver stated that Director Murr's term of office will expire on May 8, 2010.

## ADOPT ORDER CALLING DIRECTORS ELECTION

Mr. Oliver reviewed an Order Calling Directors Election for the May 8, 2010 election. Following review and discussion, Director Beversdorf moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which carried unanimously.

## SET PAY FOR ELECTION OFFICIALS

The Board discussed payment of election officials for the May 8, 2010 election. After discussion, Director Beversdorf moved to set the pay for the election officials at \$12.00 an hour. Director Bernardini seconded the motion, which carried unanimously.

## VOTING MACHINE REQUIREMENT

Mr. Oliver stated that the District will need to rent electronic voting machines from Harris County. Following discussion, Director Beversdorf moved to authorize the rental of electronic voting machines from Harris County. Director Bernardini seconded the motion, which passed by unanimous vote.

## RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF BOARD DURING 2010 ELECTION PERIOD

Director Murr confirmed that he maintains regular office hours. The Board concurred that adoption of a Resolution Designating an Agent for the Secretary of the Board of Directors During the 2010 Board of Directors Election Period was unnecessary.

## VOTING RIGHTS ACT SUBMISSION LETTER TO THE U.S. DEPARTMENT OF JUSTICE

Mr. Oliver stated that the District will need to submit a Voting Rights Act submission letter to the U.S. Department of Justice under the Voting Rights Act, if the District holds a Directors Election and there are any changes affecting voting. After review and discussion, Director Beversdorf moved to authorize the preparation and submittal of a voting rights act submission letter to the U.S. Department of Justice under the Voting Rights Act, if applicable. Director Bernardini seconded the motion, which carried unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

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 Bernardini seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT THE ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the Association of Water Board Directors winter conference. Ms. Austin noted that the directors' expenses were submitted in accordance with the District's travel guidelines. After discussion, Director Beversdorf moved to approve reimbursement of eligible expenses for the winter conference and authorize all interested directors to attend the Association of Water Board Directors summer conference. Director Bernardini seconded the motion, which carried by unanimous vote.

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 91.88% of the 2009 taxes have been collected to date. After review and discussion, Director Bernardini moved to approve the tax assessor/collector's report and payment of the tax bills. Director Beversdorf seconded the motion, which carried unanimously.

ENGINEER'S REPORT

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

Mr. Adam updated the Board on the contract for the chloramine disinfection conversion at the water plants. He stated that there are no pay estimates ready to be presented to the Board for approval. Mr. Adam stated that the North Harris County Regional Water Authority ("NHCRWA") is working on the line installation and connection to the District's system. He added that once completed, the District's chloramine conversion project can be finalized.

Mr. Adam stated that he has updated the District's summary and plan regarding sanitary sewer repairs. He reviewed a proposal from Source Point Solutions for televising sanitary sewer lines at a cost of approximately \$61,290. After discussion, Director Beversdorf moved to authorize Mr. Adam to arrange for the televising of the sanitary sewer lines by Source Point Solutions. Director Bernardini seconded the motion, which passed unanimously.

After review and discussion, Director Beversdorf 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. He stated that the Harris County Alarm Permit has been renewed. Mr. Gustafson distributed a draft notice to customers regarding changing from free chlorine to chloramines.

Mr. Gustafson stated that the District received a request from the Cypress Fairbanks Independent School District ("CFISD") for the District's consent to CFISD's entry onto a District Waterline Easement for the purpose of removing buried trees. After review and discussion, Director Beversdorf moved to approve an Agreement for Right of Entry and Removal of Buried Trees between the District and the CFISD, contingent upon final approval by ABHR, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which carried unanimously.

Mr. Gustafson stated that he will send out a brochure entitled "The Rising Cost of Water" from the NHCRWA with the February water bill.

Mr. Gustafson discussed the Hunters Valley Homeowner Association delinquent water bill. The Board concurred that a Board member will contact the Hunters Valley Homeowner Association about the delinquent water bill.

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

## HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Gustafson stated that the customers on the 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, with the exception of the Hunters Valley Homeowner Association, because no customers were either present at the meeting or had presented any written statement on the matter. Director Bernardini seconded the motion, which passed unanimously. A copy of the termination list is attached.

## REPORT ON DAMAGES TO DISTRICT FACILITIES

There was no discussion on this agenda item.

## DISTRICT INFORMATION KIT

Mr. Oliver distributed an updated District Information Kit. Following review and discussion, Director Beversdorf moved to approve the Information Kit and direct that the Kit be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which passed by unanimous vote.

## AUTHORIZE FILING OF EMERGENCY PREPAREDNESS PLAN

Mr. Adam distributed and reviewed the Emergency Preparedness Plan (the "Plan") for submittal to the Texas Commission on Environmental Quality (the "TCEQ"), in compliance with Senate Bill 361 and the new TCEQ rules. Mr. Adam stated that he will file the Plan with the TCEQ by March 1, 2010. After review and discussion, Director Beversdorf moved to approve the Plan, authorize Mr. Adam to file the Plan with the TCEQ, and direct that the Plan be filed appropriately and retained in the District's official records. Director White seconded the motion, which passed by unanimous vote. Mr. Oliver noted that the Plan is not subject to disclosure pursuant to Chapter 552, Texas Government Code.

## RESOLUTION ADOPTING AMENDED DISTRICT EMERGENCY OPERATIONS PLAN

Director Bernardini reviewed several revisions to the District's internal Emergency Preparedness Plan. The Board concurred to rename the internal plan the "District Emergency Operations Plan." After review and discussion, Director Beversdorf moved to adopt a Resolution Adopting Amended District Emergency Operations Plan and direct that the Plan be filed appropriately and retained in the District's official records. Director White seconded the motion, which carried unanimously.

## NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Murr reported on activities of the NHCRWA.

## LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC")

Director White updated the Board on the meeting of the LFPAC. He reported on the final acceptance of the bar screen at the plant.

## CONSTABLE SECURITY PATROL

The Board reviewed a report on the constable security patrol.

MARCH, 2010 MEETING DATE

Mr. Oliver stated that due to scheduling conflicts, Ms. Abudu-Davis may attend meetings when he is unavailable. The Board concurred to continue meeting on the second Monday of every month at 11:00 a.m.

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

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Secretary, Board of Directors

(SEAL)

ACTION LIST

1. Director Beversdorf, the operator, and the engineer will work on the notice to customers regarding changing from free chlorine to chloramines and discuss at the next meeting.
2. The operator will send a brochure entitled "The Rising Cost of Water" to the District's customers with the February water bill.
3. A Board member will contact the Hunters Valley Homeowner Association about the delinquent water bill.
4. The engineer will arrange for televising of sanitary sewer lines.
5. The engineer will file the Emergency Preparedness Plan with the TCEQ by March 1, 2010.

LIST OF ATTACHMENTS TO MINUTES

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