

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

October 9, 2017

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 October, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Vacant	President
Robert A. Bernardini	Vice President
Michael L. Murr	Secretary
Karl Skarboszewski	Assistant Vice President
Vally Swann	Assistant Secretary

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

Also present at the meeting were: Wendy Austin of District Data Services, Inc. ("DDS"); Yvonne Luevano and Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Nancy Blackwell and Matthew Kelley of AEI Engineering, Inc. ("AEI"); Chris Oliver of Eagle Water Management, Inc. ("Eagle"); Shannon Waugh with Off Cinco, and David Oliver, Adisa Harrington and Rebecca Hudman 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 September 19, 2017, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes of the September 19, 2017, regular meeting. Director Murr seconded the motion, which passed unanimously.

WEBSITE MATTERS, INCLUDING UPDATE ON DESIGN AND IMPLEMENTATION OF NEW WEBSITE

The Board reviewed the new website design and current content. Discussion ensued.

ADOPT RESOLUTION ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACES

The Board considered establishing an additional out-of-District meeting place for the following: Murr Incorporated, 11803 Grant Road, Suite 208, Cypress, Texas 77429, and AEI Engineering, LLC, 11450 Compaq Center Drive, Suite 660, Houston, Texas 77070. After review and discussion, Director Bernardini moved to adopt a Resolution Establishing Additional Out-of-District Meeting Places reflecting the above mentioned locations as additional meeting places of the District, and direct that the Resolution be published and filed appropriately and retained in the District's official records. Director Murr seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin reviewed the bookkeeper's report, including the updated travel reimbursement report, energy consumption report, and budget comparison, and presented the District's bills for payment. A copy of the bookkeeper's report is attached. Following review and discussion, Director Skarboszewski moved to approve the bookkeeper's report and payment of the bills. Director Bernardini seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Luevano reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 98.58% of the 2016 taxes had been collected as of September 30, 2017. Following review and discussion, Director Skarboszewski moved to approve the tax assessor/collector's report and payment of the tax bills. Director Bernardini seconded the motion, which carried unanimously.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

The Board considered nominating a candidate for the Board of Directors Election for HCAD and concurred to take no action on the matter.

ENGINEER'S REPORT

Ms. Blackwell reviewed the engineer's report, a copy of which is attached.

Ms. Blackwell gave an update on the Grant Road widening project.

Ms. Blackwell gave an update on Lake Forest Plant Advisory Council activities and reviewed the Plant engineer's report, a copy of which is attached to the engineer's report.

Ms. Blackwell reviewed a revised summary of current and anticipated future capital projects, a copy of which is attached to the engineer's report.

Ms. Blackwell updated the Board on the construction of the Hidden Falls Detention Pond rehabilitation/modification project. She stated that no pay estimates were submitted for the project.

Ms. Blackwell updated the Board regarding amenity features at the Hidden Falls Detention Pond and the waterfall that needs to be extended to tie into the lowered water level in the pond. She reported that the developer is still working on plans to complete the waterfall modifications. Director Murr requested that AEI provide recommendations on further erosion prevention. Discussion ensued regarding the status of the Hidden Falls Detention Pond and waterfall modifications and the Board concurred to discuss the matter further after the October 18, 2017, special Board meeting once they have toured the Hidden Falls Detention Pond site.

Ms. Blackwell reported that the District received three bids for the rehabilitation of the 20,000-gallon hydropneumatic tank at the Malcomson Road water plant. She recommended that the Board award the contract to Blastco Texas, Inc., in the amount of \$19,500, including an alternate bid item for topcoating the exterior of the hydropneumatic tank. The Board concurred that, in its judgment, Blastco Texas, Inc. was a responsible bidder who would be the most advantageous to the District and would result in the best and most economical completion of the District's facilities.

Ms. Blackwell distributed and reviewed the evaluation of the 15,000-gallon hydropneumatic tank at the Oak Bluff water plant, a copy of which is attached. She discussed recommended repairs, including minor spot recoating and repair/replacement of the corroded air relief valve. Ms. Blackwell asked the Board to authorize Eagle to proceed with the recommended repairs for the 15,000-gallon hydropneumatic tank at the Oak Bluff water plant.

Ms. Blackwell reported that the full evaluations of the ground storage tanks at the Malcomson Road and Oak Bluff water plants are underway and stated a summary and recommendations will be presented once the evaluations are complete.

Discussion returned to the Hidden Falls Detention Pond. Mr. D. Oliver updated the board on his discussions with the homeowners' association and developer regarding the additional work needed with regard to the amenity features at the Pond.

Ms. Blackwell distributed and reviewed the revised 2017 Water and Sewer Rate Analysis, a copy of which is attached. Discussion ensued regarding the rate options contained in the Analysis and the Board concurred to review the Water and Sewer Rate Analysis at the February 2018 Board meeting.

Ms. Blackwell reviewed AEI's revised plans for Hamilton Elementary for installation of a new fire sprinkler system and stated that no additional capacity is required for the project. She stated that a no-objection letter is attached to the engineer's report.

After review and discussion, and based upon the engineer's recommendations, Director Skarboszewski moved to (1) approve the engineer's report; (2) award the contract for the rehabilitation of the 20,000-gallon hydropneumatic tank at the Malcomson Road water plant to Blastco Texas, Inc. in the amount of \$19,500, based on the engineer's recommendation and subject to approval of the payment and performance bonds and verification of insurance; and (3) authorize AEI to proceed with recommended repairs for the 15,000-gallon hydropneumatic tank at the Oak Bluff water plant. Director Murr seconded the motion, which passed by unanimous vote.

MAINTENANCE AND DEVELOPMENT OF PROPOSED PARK TRACT

No update was given on this matter.

EMERGENCY RESPONSE PLANS

There was no discussion on this matter.

OPERATION OF DISTRICT FACILITIES AND HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. C. Oliver presented the operator's report, a copy of which is attached, and reported on maintenance work in the District. He stated that the District's water accountability for the previous month was 99.7%.

Mr. C. Oliver discussed flushing intervals in Heatherwood Village. He recommended that the Board authorize Eagle to install a two-inch tap for the purpose of bleaching and flushing water in the area in question, in order to address the continuing water odor issues. Discussion ensued and the Board concurred for Eagle to proceed with the outlined course of action.

Mr. C. Oliver 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 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. A copy of the termination list is attached to the operator's report.

After review and discussion, Director Murr moved to (1) accept the operator's report; and (2) terminate service to the customers on the termination list because no customers were either present at the meeting or had presented any written statement on the matter. Director Bernardini seconded the motion, which carried unanimously.

SALE OF SERIES B GROUNDWATER CREDITS

Ms. Harrington stated that there have been no requests to purchase the District's Series B groundwater credits.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director Murr reported on NHCRWA matters. Mr. C. Oliver stated he will obtain copies of the new NHCRWA water bill insert for review and consideration by the Board.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC")

Director Skarboszewski updated the Board on LFPAC matters.

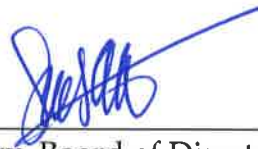
CONSTABLE SECURITY PATROL MATTERS

Director Bernardini discussed security matters in the District. A copy of the security report is attached.

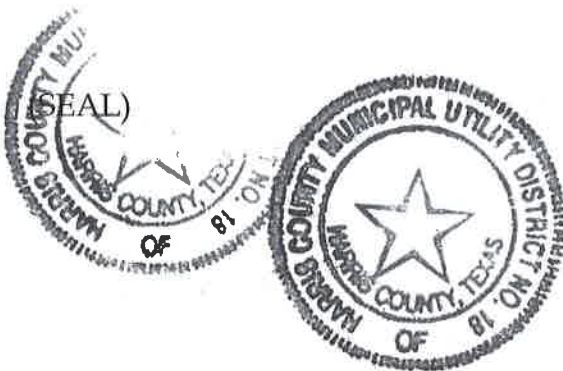
REVIEW ACTION LIST

The Board reviewed the action list.

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



Secretary, Board of Directors



ACTION LIST

New Items:

1. The Board will review the Water and Sewer Rate Analysis at the February 2018 Board meeting.
2. Eagle will make the recommended repairs to the Oak Bluff water plant hydropneumatic tank.
3. Eagle will install a two-inch tap for the purpose of bleaching and flushing water in Heatherwood Village, in order to address the continuing water odor issues.
4. Mr. C. Oliver will obtain copies of the new NHCRWA water bill insert for review and consideration by the Board.

Pending Items:

1. Sergeant Curry will attend the November Board meeting to discuss security.
2. Ms. Blackwell will notify directors of the date of the final inspection of the Hidden Falls Detention Pond rehabilitation/modification project.
3. Ms. Blackwell prepare a summary of District projects and expenses relating to the Hidden Falls Detention Pond.
4. Mr. Fortner will report back to the Board regarding the State's review of certain businesses in the District to confirm that the businesses are properly charging sales tax, at the November or December Board meeting.
5. Director Murr and AEI will follow-up with CenterPoint Energy regarding drainage options for the eight-acre park tract once the Hidden Falls Detention Pond rehabilitation/modification project is complete.
6. Ms. Blackwell and Director Murr will follow up with Harris County to confirm whether the staging area for the Grant Road widening project can remain in place and be used for future parking for the proposed District park once the Grant Road widening project is complete.
7. Ms. Blackwell will present the updated water and sewer analysis and Board will consider amending the District's Rate Order at the February 2018 meeting

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