

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

April 30, 2018

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 18 of Harris County, Texas (the "District"), met in special session, open to the public, on the 30th day of April, 2018, at the offices of Murr Incorporated, 11803 Grant Road, Suite 208, Cypress, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Robert A. Bernardini	President
Karl Skarboszewski	Vice President
Michael L. Murr	Secretary
Charlie Kennedy, Jr.	Assistant Vice President
Vally Swann	Assistant Secretary

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

Also present at the meeting were Matt Kelley of AEI Engineering, Inc. ("AEI"); Chris Oliver of Eagle Water Management, Inc. ("Eagle"); and Adisa Harrington and Faye Simonds of Allen Boone Humphries Robinson LLP ("ABHR").

ANALYSIS OF WATER AND SEWER RATES AND AMEND RATE ORDER

Mr. Kelley presented and reviewed the 2017 Water and Sewer Rate Analysis, a copy of which is attached.

The Board reaffirmed its intention of continuing to (i) build the District's general fund to a healthy reserve of two years; (ii) work towards reducing taxes for residents; (iii) promote water conservation; and (iv) maintain water rates in line with North Harris County Regional Water Authority ("NHCRWA"). The Board noted that the recent increase in customer water bills was due to the fee increase implemented by NHCRWA.

The Board reviewed the current Rate Order and considered adjusting the amount of water included in the base rate and increasing the surface water fee charged to customers. Discussion ensued and the Board concurred to amend the Rate Order to (1) reduce the amount of water included in the base rate from the first 8,000 gallons to the first 6,000 gallons, to charge \$1.00 per 1,000 gallons of water used from 6,001 to 15,000 gallons, and to leave the remaining rate tiers unchanged; and (2) to increase the surface water charge to 105% of the surface water fee imposed on the District by the NHCRWA. After review and discussion, Director Skarboszewski moved to adopt the Amended Rate Order as discussed, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Swann seconded the motion, which passed unanimously.

FINANCING OF SIDEWALK ALONG GRANT ROAD

Mr. Kelley presented and reviewed an exhibit of existing and proposed sidewalks on Grant Road, including sidewalks to be installed by Harris County ("the County") as part of the Grant Road widening project. A copy of the exhibit is attached.

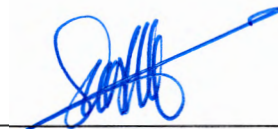
Mr. Kelley reported that the County has a sidewalk policy allowing County funding of 50% of sidewalk installation costs where the sidewalk is the only viable means for accommodating school-related pedestrian activity. He stated that if the sidewalk provides a safety component for children walking to school along a curbed thoroughfare, then the County will maintain the sidewalk in addition to funding 50% of the sidewalk installation costs. Discussion ensued and the Board tabled this agenda item pending receipt of additional information.

REPORTS FROM DIRECTORS AND CONSULTANTS ON DISTRICT MATTERS

Ms. Simonds distributed the Quarterly Maintenance Reports from McCann Security - Awareness Solutions, LLC ("McCann") for December 2017, and March 2018, copies of which are attached.

Ms. Harrington reported that she has received notification from McCann indicating that McCann will be closing for business and will no longer be providing monitoring services for both water plants beyond May 31, 2018, and that a new monitoring service provider can be assigned through United Central Control. Following discussion, Director Murr moved to (1) terminate the Service Agreement with McCann and not hire a new monitoring service provider at this time; and (2) request that Eagle install additional alarms at the water plants that tie into the auto-dialer for both plants, as discussed. Director Bernardini seconded the motion, which passed unanimously.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
2017 Water and Sewer Rate Analysis.....	1
Sidewalk Exhibit	2
McCann Quarterly Maintenance Reports for December 2017 and March 2018	2