

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

July 8, 2019

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 8th day of July, 2019, at the offices of AEI Engineering, LLC, 11450 Compaq Center Drive, Suite 660, Houston, Texas 77070, 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
Vally Swann	Assistant Secretary
Charlie Kennedy, Jr.	Assistant Vice President

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

Also present at the meeting were Sergeant Wayne Curry of the Harris County Precinct 4 Constable's Office; Stephanie Viator of District Data Services, Inc. ("DDS"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Matt Kelley of AEI Engineering, LLC ("AEI"); T. R. Riley of Eagle Water Management, Inc. ("Eagle"); and Adisa Harrington and Faye Simonds 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 June 10, 2019, regular meeting. After review and discussion, Director Bernardini moved to approve the minutes of the June 10, 2019, regular meeting, as presented. Director Swann seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, including the energy consumption report and budget comparison, and presented the District's bills for payment. A copy of the bookkeeper's report is attached. Discussion ensued regarding tracking of and potential uses for sales tax revenue received by the District pursuant to the District's Strategic Partnership Agreement with the City of Houston.

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.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference held in Fort Worth. Ms. Viator stated the expenses submitted were in accordance with the District's Travel Reimbursement Guidelines. After review and discussion, Director Bernardini moved to (1) approve reimbursement of eligible expenses for the summer conference, which were submitted in accordance with the District's Travel Reimbursement Guidelines; and (2) authorize interested directors to attend the AWBD winter conference. Director Skarboszewski seconded the motion, which carried by unanimous vote.

CONSTABLE SECURITY PATROL MATTERS

Sergeant Curry reviewed the security report and discussed security matters in the District. A copy of the security report is attached. Director Bernardini updated the Board on the FirstNet cellphone program, which is available to first responders and governmental entities for public safety.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Burks reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 98.21% of the 2018 taxes had been collected as of June 30, 2019.

Following review and discussion, Director Skarboszewski moved to approve the tax assessor/collector's report and payment of the tax bills. Director Swann seconded the motion, which carried unanimously.

ENGINEER'S REPORT

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

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

Mr. Kelley 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.

addressed before AEI can issue a certificate of completion. He reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$84,568.50 to AR Turnkey Construction Company Inc.

Mr. Kelley updated the Board on the service request from Public Storage. He stated AEI has requested and is awaiting receipt of an additional annexation deposit of \$20,000.

Mr. Kelley updated the Board on the District's water plant electrical improvements.

Following review and discussion, Director Swann moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 1 in the amount of \$84,568.50 to AR Turnkey Construction Company Inc. for the replacement of the 12-inch water line that crosses Faulkey Gully at Forest Lodge, based upon the engineer's recommendation. Director Kennedy seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

Ms. Harrington stated the Letter Agreement and Declaration of Restrictive Covenants have been finalized and are ready for execution.

EMERGENCY RESPONSE PLANS

There was no discussion on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Riley 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 100.85%.

Mr. Riley then reviewed the operator items on the attached action list. He stated Director Skarboszewski approved a proposal for the two automated meter flushing systems and they were delivered today. The Board requested that the meters be painted prior to installation, and that Eagle contact the homeowners adjacent to the fire hydrants to arrange for pavers to be installed to protect their property from excess water. The Board concurred for the automated meter flushing to be run once every other day for two hours each time.

Mr. Riley stated Champions Hydro-Lawn damaged a District sewer line and Eagle will submit a back charge claim for the damage.

Ms. Harrington stated the Harris-Galveston Subsidence District has prepared an Interlocal Agreement for the WaterWise Program for Hamilton Middle School for the

Ms. Harrington stated the Harris-Galveston Subsidence District has prepared an Interlocal Agreement for the WaterWise Program for Hamilton Middle School for the 2019-2020 school year beginning in August 2019. The Board requested ABHR add an agenda item to the District's next meeting to approve the Interlocal Agreement.

After review and discussion, Director Bernardini moved to accept the operator's report. Director Kennedy seconded the motion, which carried unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board conducted a hearing on the termination of utility service. Mr. Riley reported that the residents on the termination list provided to the Board were mailed written notice prior to the meeting in accordance with the District's Rate Order, 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 for reason of nonpayment. Director Bernardini moved that, because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with the procedures set forth in the District's Rate Order, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Kennedy seconded the motion, which carried unanimously.

APPROVE SERVICE AGREEMENT WITH VEPO, LLC

Ms. Harrington presented a Service Agreement with Vepo, LLC for an online backflow and customer service inspection management system and a letter of consent to the Texas Commission on Environmental Quality. Following review and discussion, Director Skarboszewski moved to approve the Service Agreement with Vepo, LLC, authorize execution of the letter of consent, and direct that the Agreement and letter of consent be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which carried unanimously.

AMEND RATE ORDER

The Board deferred action on this agenda item.

CONSIDER USE OF SMART METERS ON DISTRICT WATER SYSTEM

The Board discussed smart meters. Director Skarboszewski stated the estimated cost per smart meter is \$275, not including installation. The Board requested Eagle provide a proposal for the installation of smart meters in the District to the Board at the next meeting.

The Board discussed replacement of high usage meters in the District. Following discussion, Director Skarboszewski moved to authorize Eagle to only replace stuck,

broken and unreadable meters in the District with traditional meters. Director Bernardini seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES, CONTINUED

The Board reviewed a letter from the Houston-Galveston Area Council regarding efforts to establish a Watershed Protection Plan for Cypress Creek, a copy of which is attached.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA") MATTERS

Director Skarboszewski reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC") MATTERS

Director Skarboszewski reported on the most recent LFPAC meeting.

WEBSITE MATTERS

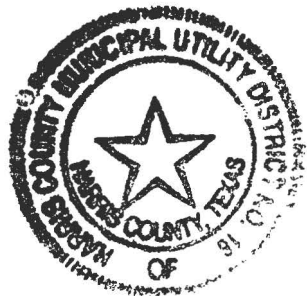
The Board reviewed the monthly activity report provided by Off Cinco, a copy of which is attached. Director Bernardini updated the Board on website matters.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Harrington presented a report prepared by ABHR regarding legislative matters pertaining to the 86th Regular Session of the Texas Legislature.

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

(SEAL)



Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Bookkeeper's report.....	1
Security report.....	2
Tax assessor/collector's report	2
Engineer's report.....	2
Operator's report.....	3
Action list	3
Letter from Houston-Galveston Area Council	5
Off Cinco monthly activity report	5