

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

August 12, 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 12th day of August, 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, thus constituting a quorum.

Also present at the meeting were Sergeant Wayne Curry of the Harris County Precinct 4 Constable's Office; Wendy Austin of District Data Services, Inc. ("DDS"); Yvonne Luevano of Wheeler & Associates, Inc. ("Wheeler"); Nancy Blackwell and Pam Madrigal 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 July 8, 2019, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes of the July 8, 2019, regular meeting, as revised. Director Murr seconded the motion, which passed unanimously.

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.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin reviewed the bookkeeper's report, including the energy consumption report and budget comparison, and presented the District's bills for payment. She

noted that Director Bernardini's reimbursement request for the Association of Water Board Directors summer conference complies with the District's Travel Reimbursement Guidelines. A copy of the bookkeeper's report is attached. Ms. Austin stated the District's contract with Reliant NRG for the stormwater pump station meter at 12726 1/2 Tenaya Falls Drive is ending. She recommended adding the stormwater pump station meter to the District's current contract with Public Power Pool.

Following review and discussion, Director Skarboszewski moved to (1) approve the bookkeeper's report and payment of the bills; and (2) authorize DDS to add the stormwater pump station meter at 12726 1/2 Tenaya Falls Drive to the District's current contract with Public Power Pool. Director Swann 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 98.42% of the 2018 taxes had been collected as of July 31, 2019.

Ms. Luevano distributed and reviewed the delinquent tax attorney report prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached.

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.

Ms. Harrington noted that the District's financial advisor will attend the next Board meeting to discuss the District's 2019 tax rate and tax exemptions.

ENGINEER'S REPORT

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

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

Ms. Madrigal 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. Madrigal updated the Board on the replacement of the 12-inch water line that crosses Faulkey Gully at Forest Lodge. She reported that the deficiencies have been addressed and reviewed the certificate of completion. She then reviewed and recommended approval of Pay Estimate No. 2 and Final in the amount of \$9,365.50 to AR Turnkey Construction Company Inc., and final acceptance of the project.

Ms. Madrigal updated the Board on the service request from Public Storage. She stated AEI has requested and is awaiting receipt of an additional annexation deposit of \$20,000. Ms. Harrington added that an invoice has been sent to Public Storage and the deposit should be received shortly.

Ms. Madrigal updated the Board on the District's water plant electrical improvements. She added the project should be completed by December 18, 2019.

Ms. Madrigal reported AEI received a request to provide water service to a development near the intersection of Grant Road and Kathy Lane. She stated that based on preliminary review, it does not appear feasible for the District to provide service to the development. She requested authorization from the Board to respond that it is not feasible to provide water service.

Following review and discussion, Director Murr moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 2 and Final in the amount of \$9,365.50 to AR Turnkey Construction Company Inc., for the replacement of the 12-inch water line that crosses Faulkey Gully at Forest Lodge, and final acceptance of the contract, based upon the engineer's recommendation; and (3) authorize AEI to respond to the request to provide water service as discussed. Director Bernardini seconded the motion, which passed by unanimous vote.

ANNEXATION MATTERS

Ms. Harrington stated the Letter Agreement and Declaration of Restrictive Covenants have been sent to Public Storage for execution.

EMERGENCY RESPONSE PLANS

Director Bernardini updated the Board on the FirstNet cellphone program, which is available to first responders, support responders, and governmental entities for public safety. He requested ABHR add an agenda item to receive a presentation from AT&T regarding FirstNet at the next regular meeting.

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 98.95%.

Mr. Riley stated Eagle received a request from a customer at 14907 Rain Shadow Court to investigate a leak due to high water usage. He added that Eagle inspected the meter and found no leak. Following discussion, the Board took no action.

Mr. Riley stated Eagle received a request from the customer at 14906 Forest Lodge Drive requesting an adjustment to their water bill due to high water usage. He added that Eagle has inspected the meter and found no leak. Following discussion, the Board took no action.

Mr. Riley stated CenterPoint will be replacing a damaged power pole at the Oak Bluff water plant on August 13, 2019, and he recommended taking the generator off-line to conserve fuel. The Board concurred for the generator at Oak Bluff water plant to be taken off-line on August 13, 2019, for the CenterPoint damaged power pole replacement.

Mr. Riley then reviewed the operator items on the attached action list. He stated the two automated meter flushing systems have been painted and installed. The Board concurred to discontinue weekly flushing, continue monthly flushing in the Heatherwood section of the District, run the automated flushing four times a week for two hours each time, and monitor residuals with the goal of reducing the amount of automated flushing to prevent excess water loss.

Mr. Riley stated he has inspected the pipes at the Hidden Falls storm station and recommended that the pipes be recoated due to deterioration. The Board requested AEI investigate and obtain a proposal for pipe recoating at Hidden Falls storm station for consideration at the next meeting.

Mr. Riley recommended that the Board authorize Eagle to send twelve delinquent accounts to a collections agency.

Mr. Riley stated an old meter vault is still in place at Hamilton Middle School and it is unclear whether it is being removed or will need to be backfilled. Ms. Madrigal stated she will contact Hamilton Middle School's engineer to ascertain whether the School will remove the old vault.

After review and discussion, Director Skarboszewski moved to accept the operator's report and authorize Eagle to send the recommended accounts totaling \$2,132.55 to a collections agency. Director Bernardini 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 Skarboszewski 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 Bernardini seconded the motion, which carried unanimously.

APPROVE INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT

Ms. Harrington presented an Interlocal Agreement for the Water Wise Program with Harris-Galveston Subsidence. The Board took no action.

AMEND RATE ORDER

The Board deferred action on this agenda item.

CONSIDER USE OF SMART METERS ON DISTRICT WATER SYSTEM

Mr. Riley presented and reviewed a smart meter installation proposal, a copy of which is attached to the operator's report. The Board took no action.

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

Director Murr reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC") MATTERS

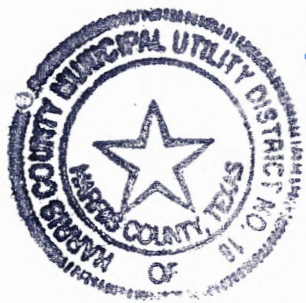
Director Skarboszewski reported on the most recent LFPAC meeting.

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.

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

(SEAL)



Asst. Secretary, Board of Directors

Valery Jordan

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