

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

January 9, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 18 (the "District"), met in regular session, open to the public, on the 9th day of January, 2023, 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 in person or via teleconference were: Lieutenant Wayne Curry of the Harris County Precinct 4 Constable's Office; Wendy Austin of District Data Services, Inc.; Autumn Clark of Wheeler & Associates, Inc. ("Wheeler"); Tom Matkin and Janice Noeldner of AEI Engineering, a Baxter Woodman Company ("AEI"); TR Riley of Eagle Water Management, Inc. ("Eagle"); and David Oliver and Faye Simonds of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

There were no public comments.

MINUTES

The Board considered approving the minutes of the December 12, 2022, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes as presented. Director Bernardini seconded the motion, which passed unanimously.

SECURITY MATTERS

Lieutenant Curry reviewed the security report and discussed security matters in the District. A copy of the security report is attached.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, including the energy consumption report and budget comparison, and the District's bills presented for payment. A copy of the bookkeeper's report is attached.

Ms. Austin noted check 11441 in the amount of \$1,294.06 to Badger Meter is void. She then noted additional check no. 11453 to North Harris County Regional Water Authority ("NHCRWA") in the amount of \$55,629.44 and additional check no. 11454 to Badger Meter in the amount of \$1,297.62.

Ms. Austin stated that the District is still awaiting sales tax funds from the City of Houston for April 2022.

Ms. Simonds stated that, in accordance with the District's Investment Policy, Wendy Austin, as the District's bookkeeper and investment officer, is required to execute Disclosure Statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

Following review and discussion, Director Bernardini moved to: (1) approve the bookkeeper's report and payment of the bills including additional check nos. 11453 and 11454; and (2) accept the Disclosure Statements under the Public Funds Investment Act, direct that the Statements be filed with the Texas Ethics Commission, and direct that the Statements be filed appropriately and retained in the District's official records. Director Swann seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Clark reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 59.41% of the 2022 taxes had been collected as of December 31, 2022.

Ms. Clark reviewed a write-off list for delinquent accounts more than four years old, a copy of which is attached, and requested authorization to write off the accounts.

Following review and discussion, Director Kennedy moved to: (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Wheeler to write off the delinquent accounts more than four years old. Director Skarboszewski seconded the motion, which passed unanimously.

ENGINEERING REPORT

Mr. Matkin and Ms. Noeldner reviewed the engineer's report, a copy of which is attached.

Ms. Noeldner reviewed a summary of current and anticipated future capital projects, a copy of which is attached to the engineer's report. She stated that it has been updated to include cost increases to reflect inflation, engineering fees, replacement of Malcomson Road water plant fence in 2023, rehabilitation of Oak Bluff water plant hydro-pneumatic tank, Lake Forest Plant Advisory Council ("LFPAC") projects, and projects completed in last five-years. She added that the list will be amended to include the NHCRWA line to the Oak Bluff water plant.

Mr. Matkin gave an update on LFPAC activities and reviewed the Plant engineer's report, a copy of which is attached to the engineer's report.

Mr. Matkin gave an update on the ongoing discussion of the District water system, as reflected in the engineer's report. Mr. Matkin then updated the Board on the District's water distribution modelling.

Ms. Noeldner stated that design of the sanitary sewer system cleaning and televising program – Area III is in progress.

Ms. Noeldner reviewed the annual evaluation of the ground storage tank at Malcomson Road water plant, a copy of the which is attached to the engineer's report. Mr Riley stated that Eagle will complete the recommended work except for the non-skid tape on the roof, for which he will provide a proposal at the next meeting.

Ms. Noeldner updated the Board on the water plant improvements, as reflected in the engineer's report.

Ms. Noeldner updated the Board on the renewal of the Harris County Hazardous Materials Operational Permits which expires February 23, 2023.

Ms. Noeldner updated the Board on the request for sanitary sewer service to Parsons House, as reflected in the engineer's report.

Ms. Noeldner stated that construction of the Hamilton Elementary School addition is anticipated to finish in August 2023.

Ms. Noeldner stated that AEI notified the resident at 11823 Park Creek Drive that the Board would consider granting a Consent to Encroachment ("CTE"), subject to the Homeowners Association approving the fence and gate and the resident submitting a deposit to cover the District's costs in connection with the CTE.

Ms. Noeldner reviewed a 2022 Engineering Summary with the Board, a copy of which is attached to the engineer's report.

Following review and discussion, and based on the engineer's recommendation, Director Bernardini moved to approve the engineer's report. Director Kennedy seconded the motion, which passed unanimously.

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

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 90.92%.

Mr. Riley requested approval to purchase and install an auto dialer for the sanitary sewer lift station in an estimated amount of \$6,000.

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.

Mr. Riley stated that Eagle's billing department has confirmed that there are no online payment options available for customers.

Following review and discussion, Director Bernardini moved to: (1) accept the operator's report; (2) authorize Eagle to purchase and install an auto dialer for the sanitary sewer lift station in an estimated amount of \$6,000; and (3) terminate utility service in accordance with the procedures set forth in the District's Rate Order, because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Skarboszewski seconded the motion, which passed unanimously.

NHCRWA MATTERS

Director Murr reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

REVIEW DISTRICT INFORMATION KIT

The Board reviewed the District Information Kit. Ms. Simonds stated that any comments on the District Information Kit should be sent to her, and then ABHR will present the final District Information Kit for approval at the February meeting.

WEBSITE MATTERS

The Board reviewed the monthly activity report, a copy of which is attached.

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

/s/ Michael Murr
Secretary, Board of Directors



(SEAL)

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