

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

February 13, 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 13th day of February, 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; Jennifer Gruver of District Data Services, Inc.; Autumn Clark of Wheeler & Associates, Inc.; Anthea Moran of Masterson Advisors LLC; Tom Matkin and Janice Noeldner of AEI Engineering, a Baxter Woodman Company; 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 January 9, 2023, regular meeting. After review and discussion, Director Murr moved to approve the minutes as presented. Director Swann seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board 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. Gruver reviewed an amended budget for fiscal year end December 31, 2023, for Lake Forest Plant Advisory Committee ("LFPAC").

The Board discussed the Association of Water Board Directors ("AWBD") winter conference. Ms. Gruver noted the director expenses were submitted in accordance with the District's Travel Reimbursement Guidelines.

Following review and discussion, Director Skarboszewski moved to: (1) approve the bookkeeper's report and payment of the bills; (2) approve the amended budget for LFPAC; and (3) reimbursement of eligible expenses for the winter conference and authorize all interested Directors to attend the AWBD summer conference. Director Bernardini 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 86.45% of the 2022 taxes had been collected as of January 31, 2023.

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

Ms. Moran presented and reviewed a 2023 Exemption Analysis, a copy of which is attached. She stated that the District currently rejects a general homestead exemption and grants a \$45,000 exemption for persons over 65 years of age and a \$100,000 exemption for disabled persons. She then reviewed the tax revenue impacts of the current exemptions and other exemption options.

The Board reviewed and considered adopting a Resolution Concerning Exemptions from Taxation reflecting that the Board of Directors rejects a general residential homestead exemption, and grants a \$45,000 exemption for persons over 65 years of age and a \$100,000 exemption for disabled persons. Following discussion, Director Bernardini moved to adopt the Resolution Concerning Exemptions from Taxation and direct that the Resolution be filed appropriately and retained in the District's official records. 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.

Mr. Matkin reviewed a summary of current and anticipated future capital projects, a copy of which is attached to the engineer's report. He stated that it has been updated to include the North Harris County Regional Water Authority ("NHCRWA") water line to

the Oak Bluff water plant and the cost of the Malcomson Road water plant 500,000-gallon Ground Storage Tank rehabilitation.

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, including the NHCRWA water line to Oak Bluff water plant. Mr. Matkin then updated the Board on the District's water distribution modelling and reviewed a draft report.

Ms. Noeldner stated that bids were received for the sanitary sewer system cleaning and televising program – area III. She recommended the Board award of the contract to CSI Consolidated, LLC dba AIMS Companies ("AIMS Companies") in the amount of \$37,032.75. The Board concurred that, in its judgment, AIMS Companies was a responsible bidder and would be most advantageous to the District and would result in the best and most economical completion of the project.

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

Ms. Noeldner stated that the Harris County Hazardous Materials Operational Permits have been renewed and now expire on January 30, 2024.

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.

Following review and discussion, and based on the engineer's recommendation, Director Skarboszewski moved to approve the engineer's report and award the contract for the sanitary sewer system cleaning and televising program - area III to AIMS companies in the amount of \$37,032.75, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Murr 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 84.64%.

Mr. Riley stated that Eagle received a request from Heatherwood Village Community Association, Inc. to waive the penalty and interest for late payment in the amount of \$74.55, due to a lack of quorum for their meetings.

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.

Following review and discussion, Director Skarboszewski moved to: (1) accept the operator's report; (2) authorize Eagle to waive the late penalty and interest for Heatherwood Village Community Association, Inc. in the amount of \$74.55; (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 Bernardini seconded the motion, which passed unanimously.

NHCRWA MATTERS

The Board did not receive a report.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

REVIEW DISTRICT INFORMATION KIT

Director Bernardini reviewed the updated District Information Kit. Following review and discussion, Director Bernardini moved to approve the Information Kit and direct that it be posted on the District's website, filed appropriately, and retained in the District's official records. Director Skarboszewski seconded the motion, which passed unanimously.

WEBSITE AND COMMUNICATION MATTERS

The Board reviewed the monthly activity report, a copy of which is attached. The Board discussed posting the Security Report on the District's website.

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

/s/ Vally Swann
Ast. Secretary, Board of Directors



(SEAL)

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