

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

February 12, 2024

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 12th day of February, 2024, at the offices of Baxter & Woodman, Inc., 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 Bernardini, thus constituting a quorum.

Also present at the meeting were: Anthea Moran of Masterson Advisors LLC; Wendy Austin of District Data Services, Inc.; Isabel Mata of Wheeler & Associates, Inc.; Tom Matkin and Janice Noeldner of Baxter & Woodman, Inc. ("Baxter & Woodman"); TR Riley of Eagle Water Management, Inc. ("Eagle"); 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 8, 2024, regular meeting. After review and discussion, Director Kennedy moved to approve the minutes as presented. Director Murr 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.

RESIDENT REQUEST FOR RELOCATION OF METER

Mr. Riley stated that a resident has requested relocation of their meter box due to the installation of a swimming pool. He added the requested location will extend the neighbor's line. Discussion ensued regarding the location of the meter box and the property line. Following discussion, the Board requested Eagle notify the resident that the meter box can be moved to the property line.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin 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.

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

Following review and discussion, Director Murr moved to: (1) approve the bookkeeper's report and payment of the bills; and (2) approve reimbursement of eligible expenses for the winter conference and authorize all interested Directors to attend the AWBD summer conference. Director Swann seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Mata reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached.

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.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Moran presented and reviewed a 2024 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 Murr 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 Kennedy seconded the motion, which passed unanimously.

ENGINEERING REPORT

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 the summary has been updated to remove 2023 items.

Ms. Noeldner gave an update on Lake Forest Plant Advisory Committee ("LFPAC") activities and reviewed the Plant engineer's report, a copy of which is attached to the engineer's report.

Ms. Noeldner gave an update on the District's water system model and evaluation, as reflected in the engineer's report.

Ms. Noeldner stated that bids were received for Phase IV sanitary sewer cleaning and televising. She recommended the Board award the contract to Hydro Clear Services in the amount of \$35,110.00. The Board concurred that, in its judgment, Hydro Clear Services 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. Following discussion and based on the engineer's recommendation, Director Skarboszewski moved to award the contract for the Phase IV sanitary sewer system cleaning and televising to Hydro Clear Services in the amount of \$35,110.00, subject to review of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Murr seconded the motion, which passed unanimously.

Ms. Noeldner updated the Board on the Malcomson Road water plant generator replacement, fence replacement, and site improvement project. She discussed the Public Utility Commission of Texas proposed Texas Energy Fund and a potential grant for the project including a timeline for the grant. Discussion ensued regarding the project schedule, whether to proceed with the grant, the specifications of the generator, and whether the generator can be purchased through BuyBoard. The Board requested Baxter Woodman look into purchasing the generator through BuyBoard.

Ms. Noeldner updated the Board on the water plant coating improvements, as reflected in the engineer's report. She recommended the Board approve Pay Estimate No. 1 in the amount of \$17,694.00 to The Trey Evans Company, for water plant coating improvements.

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

Ms. Noeldner stated that the hazardous materials operational permits for the Oak Bluff and Malcomson Road water plants have been renewed.

Ms. Noeldner updated the Board on the lead service line inventory. The Board requested Eagle provide a plan/schedule for inspecting the service lines in the District before the October 16, 2024, filing deadline, at the next regular meeting.

Ms. Noeldner stated that there was no update on the Emergency Preparedness Plan.

Ms. Noeldner reported that construction of the Hamilton Elementary School addition is nearing completion.

Following review and discussion, and based on the engineer's recommendation, Director Murr moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 1 in the amount of \$17,694.00 to The Trey Evans Company. Director Swann 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 92.30%.

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 Murr moved to: (1) accept the operator's report; and (2) 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 Kennedy seconded the motion, which passed unanimously.

REVIEW DISTRICT INFORMATION KIT

The Board reviewed the updated District Information Kit. Following review and discussion, Director Swann 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 Murr seconded the motion, which passed unanimously.

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

Director Murr updated the Board on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

WEBSITE AND COMMUNICATION MATTERS

There was no discussion on this agenda item.

2024 DIRECTORS ELECTION

Mr. Oliver explained that the Harris County Clerk notified the District that Harris County will not contract with political subdivisions, such as the District, to administer the District's May 2024 directors election. He stated that, as a result, the District will not contract with Harris County, as previously authorized, but instead the District will administer its own election.

Mr. Oliver discussed exemptions from using electronic voting systems during the 2024 Directors Election. He stated that the basis of the District's exemption is that the last Directors election was cancelled.

The Board discussed pay for election officials during the 2024 Directors Election.

Following discussion, Director Murr moved to: (1) authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation, if required; and (2) set the pay for election officials at \$18.00 per hour. Director Kennedy seconded the motion, which was approved by unanimous vote.

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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