

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

March 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 March, 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, except Director Murr, thus constituting a quorum.

Also present at the meeting were: Lieutenant Wayne Curry of Harris County Precinct 4 Constable’s Office; Brian Toldan of McCall Gibson Swedlund Barfoot PLLC (“McCall Gibson”); Wendy Austin of District Data Services, Inc.; Autumn Clark of Wheeler & Associates, Inc.; Tom Matkin and Janice Noeldner of AEI Engineering, a Baxter Woodman Company (“AEI”); TR Riley of Eagle Water Management, Inc. (“Eagle”); and Adisa Harrington and Faye Simonds of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENT

There were no public comments.

MINUTES

The Board considered approving the minutes of the February 13, 2023, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes as presented. Director Swann 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.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2022

Mr. Toldan presented and reviewed the District’s proposed audit for the fiscal year ended December 31, 2022. After review and discussion, Director Kennedy moved to approve the audit, subject to final attorney review, authorize filing of the audit with the

Texas Commission on Environmental Quality (“TCEQ”), and direct that the audit be filed appropriately and retained in the District’s official records. Director Swann seconded the motion, which passed unanimously.

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 additional check no. 11503 to McCall Gibson in the amount of \$9,000 and additional check no. 11504 to the North Harris County Regional Water Authority (“NHCRWA”) in the amount of \$38,664.49.

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

Following review and discussion, Director Bernardini moved to approve the bookkeeper’s report and payment of the bills including additional check nos. 11503 and 11504. Director Kennedy 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 94.84% of the 2022 taxes had been collected as of February 28, 2023.

The Board deferred action on the unclaimed property report as of June 30, 2023, for the period ending June 30, 2020.

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 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 the summary has been updated to include the Lake Forest Plant Advisory Committee (“LFPAC”) force main rehabilitation project.

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 various scenarios. The Board requested that Eagle provide flows and schedules for the distribution modelling. The Board also requested AEI provide an executive summary of various scenarios.

Ms. Noeldner discussed sending a follow-up letter to the NHCRWA regarding cost sharing for the proposed NHCRWA water line to Oak Bluff water plant.

Ms. Noeldner updated the Board on the sanitary sewer system cleaning and televising program - area III.

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

Ms. Noeldner presented a storm water pollution education flyer, a copy of which is attached to the engineer's report. She stated the District is required to distribute the flyer as part of the annual renewal of the District's storm water quality permit. She requested authorization for the operator to include the flyer in the next water bill.

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 (1) approve the engineer's report; (2) authorize AEI to send the follow-up letter to the NHCRWA regarding the proposed surface water line to Oak Bluff water plant, as discussed; and (3) authorize the operator to include the storm water pollution flyer in the next water bills. Director Bernardini 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 90.47%.

Mr. Riley stated that the NHCRWA's meter for surface water is reading incorrectly, and Eagle will request a credit for the water that passed through the meter when it was turned off.

Mr. Riley stated he will present proposals for the non-skid tape and valve survey at the next meeting.

The Board deferred action on the annual report on implementation of the District's Water Conservation Plan.

Ms. Harrington stated that the District is required to report its critical load facilities annually to the Harris County Emergency Management Coordinator, the Public Utility Commission of Texas, the Division of Emergency Management of the Governor's office, the District's retail electric provider, and the District's transmission and distribution utility company. She then reviewed the Critical Load Spreadsheet of District facilities (the "Spreadsheet") and stated that the engineer, operator, and bookkeeper were given the Spreadsheet for review prior to the meeting.

The Board reviewed the District's current Drought Contingency Plan ("Plan"). The Board concurred that no changes were necessary to the current Plan and took no further action.

Mr. Riley then requested authorization to obtain approval from the TCEQ to switch to free chlorine for two weeks in April for water line maintenance.

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 Bernardini moved to: (1) accept the operator's report; (2) approve the Spreadsheet, authorize ABHR to file the Spreadsheet with the applicable governmental agencies and energy entities, and direct that the Spreadsheet be filed appropriately and retained in the District's official records; (3) authorize Eagle to obtain approval from the TCEQ to switch to free chlorine for two weeks in April for water line maintenance; (4) authorize Director Bernardini to post notice of the water line maintenance on the District's website; and (5) 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.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Mr. Matkin reported on LFPAC matters.

WEBSITE AND COMMUNICATION 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.

Secretary, Board of Directors



(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Security report	1
Bookkeeper's report	2
Tax assessor/collector's report and delinquent tax roll	2
Engineer's report	2
Operator's report	3
Monthly activity report	5