

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

March 11, 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 11th day of March, 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 Murr, thus constituting a quorum.

Also present at the meeting were: Jerry Jackson a resident of the District; Jon Durnell of McCall Gibson Swedlund Barfoot PLLC (“McCall Gibson”); Wendy Austin of District Data Services, Inc.; Isabel Mata of Wheeler & Associates, Inc.; Janice Noeldner and Tin Huynh of Baxter & Woodman, Inc. (“Baxter & Woodman”); TR Riley of Eagle Water Management, Inc. (“Eagle”); Adisa Harrington and Faye Simonds of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENT

There were no public comments at the beginning of the meeting.

MINUTES

The Board considered approving the minutes of the February 12, 2024, regular meeting. After review and discussion, Director Swann moved to approve the minutes as revised. Director Bernardini 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.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2023

Mr. Durnell presented and reviewed the District’s proposed audit for the fiscal year ended December 31, 2023. After review and discussion, Director Bernardini

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 Kennedy seconded the motion, which passed unanimously.

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.

Following review and discussion, Director Skarboszewski moved to approve the bookkeeper’s report and payment of the bills. 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.

Ms. Mata requested authorization to prepare an unclaimed property report as of June 30, 2024, for the period ending June 30, 2021, and to coordinate with other District consultants as needed in researching unclaimed property for the report.

Following review and discussion, Director Skarboszewski moved to: (1) approve the tax assessor/collector’s report and payment of the tax bills; and (2) authorize Ms. Mata to prepare the report and coordinate with other District consultants as needed in researching unclaimed property for the report. Director Swann seconded the motion, which passed unanimously.

ENGINEERING REPORT

Ms. Noeldner introduced Mr. Huynh and reviewed the engineer’s report, a copy of which is attached.

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

Ms. Noeldner reviewed an opinion on probable costs for the Oak Bluff water plant ground storage tank rehabilitation in the amount of \$308,000 and requested authorization to commence design.

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 updated the Board on Phase IV sanitary sewer cleaning and televising, as reflected in the engineer’s report.

Ms. Noeldner updated the Board on the Malcomson Road water plant generator replacement, fence replacement, and site improvement project. She reported that the City of Houston passed a noise level restriction ordinance on May 4, 2022, and stated that the generator will produce noise above the limit. She added that Baxter & Woodman is exploring options to meet the noise level restriction ordinance. She then discussed purchasing the generator through Buy Board and an Interlocal Agreement. Following discussion, the Board concurred to proceed with acquiring and installing the generator from a contractor through a publicly bid construction contract, instead of separately purchasing the generator from Buy Board. Ms. Noeldner then discussed the Texas Public Utility Commission’s Texas Energy Fund, noting that Baxter & Woodman will monitor potential grant opportunities for the project.

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

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

Ms. Noeldner requested authorization to proceed with the lead service line inventory.

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

Director Kennedy stated that the development at 12503 Kluge Road is no longer proceeding.

Following review and discussion, and based on the engineer’s recommendation, Director Skarboszewski moved to: (1) approve the engineer’s report; (2) authorize Baxter & Woodman to commence design of the Oak Bluff water plant ground storage tank rehabilitation; and (3) authorize Baxter & Woodman and Eagle to proceed with the lead service line inventory. Director Swann seconded the motion, which passed unanimously.

REVIEW EMERGENCY PREPAREDNESS PLAN AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

Ms. Noeldner reported that no updates are needed to the Emergency Preparedness Plan at this time.

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 83.27%.

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 reviewed the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan with the Board. Ms. Harrington stated that the TCEQ rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. Ms. Harrington reviewed an Amended and Restated Water Conservation Plan with the Board.

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.

Ms. Harrington stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2024, prior to May 1st. Discussion ensued regarding updating the District's Drought Contingency Plan to follow North Harris County Regional Water Authority's ("NHCRWA") Drought Contingency Plan. The Board deferred action on this agenda item.

Following review and discussion, Director Bernardini moved to: (1) accept the operator's report; (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; (3) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District's operator to submit the reports to the appropriate government agencies; (4) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the Order be filed appropriately and retained in the District's official records, and authorize the District operator to submit the Amended and Restated Water Conservation Plan to the appropriate government agencies; and (5) 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. Director Skarboszewski seconded the motion, which passed unanimously.

AUTHORIZE OPERATOR TO CONDUCT DISINFECTION TREATMENT CHANGE OVER AND UPDATE DISTRICT WEBSITE WITH NOTICE TO RESIDENTS

Mr. Riley requested authorization to obtain approval from the TCEQ to switch to free chlorine for two weeks in April for water line maintenance. Following discussion, Director Bernardini moved to authorize Eagle to obtain approval from the TCEQ to switch to free chlorine for two weeks in April for water line maintenance. 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

Director Skarboszewski reported on LFPAC matters.

WEBSITE AND COMMUNICATION MATTERS

Director Bernardini updated the Board on website and communication matters.

2024 DIRECTORS ELECTION

Ms. Harrington discussed procedures related to the 2024 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidate applications for the three director positions for the May 4, 2024, Directors Election.

Ms. Harrington presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling") stating that the May

4, 2024, Directors Election is cancelled and that the unopposed candidates, Robert Bernardini, Vally Swann, and Charlie Kennedy, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. She reviewed the posting requirements for the Order Cancelling.

Following review and discussion, Director Skarboszewski moved to: (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records; and (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office, authorize the Secretary's agent to post the Order Cancelling, as required, and direct that the Order Cancelling be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which passed unanimously.

PUBLIC COMMENTS (CONTINUED)

Mr. Jackson inquired about the deadlines for District director elections.

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.....	4