

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

April 10, 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 10th day of April 2023, 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 Kennedy, thus constituting a quorum.

Also present at the meeting were: Jon Arledge, a resident of the District; Wendy Austin of District Data Services, Inc.; Autumn Clark of Wheeler & Associates, Inc.; Janice Noeldner of Baxter Woodman, Inc. ("Baxter Woodman"); 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.

CONSIDER REQUEST FROM DISTRICT RESIDENT FOR CONSENT TO ENCROACH ON DISTRICT SANITARY SEWER EASEMENT

Mr. Arledge stated that he would like to enclose the front of his property with a fence for security purposes. Discussion ensued regarding the location of the District's sanitary sewer easement, the proposed fence location, the need for a Consent to Encroachment ("CTE"), and the requirement to submit a deposit in connection with requesting a CTE. Mr. Arledge stated that the Heatherwood Village Community Association, Inc., ("HOA") has until April 14th to respond to his request. Following discussion, Director Bernardini moved to authorize ABHR to provide Mr. Arledge with a sample CTE so that Mr. Arledge can determine whether he would like to proceed with requesting a CTE and submit the required CTE deposit. Director Swann seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of the March 13, 2023, regular meeting. After review and discussion, Director Bernardini 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.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Harrington stated that the District's insurance policies through Arthur J. Gallagher & Co. ("Gallagher"), expire on August 12, 2023, and asked whether the Board would like additional proposals. The Board concurred to request a renewal proposal from Gallagher and not solicit proposals from other insurance companies.

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.

Following review and discussion, Director Swann moved to approve the bookkeeper's report and payment of the bills. Director Murr 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 96.29% of the 2022 taxes had been collected as of March 31, 2023. Ms. Clark then reviewed a five-year trend for exemptions, a copy of which is attached to the tax assessor/collector's report.

Ms. Clark discussed the unclaimed property report as of June 30, 2022, for the period ending June 30, 2019, noting that there is no unclaimed property to be escheated to the State of Texas. She requested the Board ratify preparation of the report.

Following review and discussion, Director Bernardini moved to: (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) ratify preparation of the unclaimed property report. Director Murr 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 there are no changes.

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 ongoing discussion of the District's water system, as reflected in the engineer's report. She then reviewed a draft letter to the North Harris County Regional Water Authority ("NHCRWA") regarding cost sharing for the proposed water line to Oak Bluff water plant, noting that the draft letter is being reviewed by ABHR.

Ms. Noeldner updated the Board on the water distribution system modelling. Director Bernardini requested Baxter Woodman provide an abbreviated summary for him to discuss at the HOA meeting on April 14, 2023.

Ms. Noeldner updated the Board on the sanitary sewer system cleaning and televising program – area III. She stated the Notice to Proceed was issued on March 20, 2023.

Ms. Noeldner updated the Board on the water plant improvements, as reflected in the engineer's report. Director Murr stated he will attend the inspection next week.

Ms. Noeldner stated that the Hidden Falls Storm Water Quality Permit was submitted to Harris County on March 30, 2023.

Ms. Noeldner updated the Board on the District's Emergency Preparedness Plan.

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; and (2) authorize the engineer to send the letter to the NHCRWA regarding the proposed water line to Oak Bluff water plant, subject to finalization. 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 93.37%.

Mr. Riley stated that he received proposals for the non-skid tape on the ground storage tank roof at Malcomson Road and recommended approval of the proposal from Citywide Utilities in the amount of \$8,500. Discussion ensued regarding a warranty of at least 5 years and the type of non-skid tape to be used.

Mr. Riley updated the Board on the credit from NHCRWA regarding the 400,000 gallons of water that passed through the meter when it was turned off.

Discussion ensued regarding the Environmental Protection Agency's Lead and Copper Rule. Ms. Noeldner stated that Baxter Woodman will be completing a lead and copper inventory for the District.

Mr. Riley reviewed the annual report on implementation of the District's Water Conservation Plan with the Board.

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; (2) approve the proposal from Citywide Utilities in the amount of \$8,500 subject to the contractor providing a warranty of at least 5 years and using the same material Harris County Municipal Utility District No. 116 used for its facility roofing; (3) approve the annual report on implementation of the Water Conservation Plan, subject to finalization; and (4) 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

Director Murr updated the Board on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

WEBSITE AND COMMUNICATION MATTERS

The Board reviewed the monthly activity report, a copy of which is attached. Director Bernardini moved to approve posting of the District's annual electricity usage on the District's website. Director Skarboszewski seconded the motion, which passed unanimously.

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

/s/ Michael Murr
Secretary, Board of Directors



(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Security report	2
Bookkeeper's report	2
Tax assessor/collector's report and delinquent tax roll	2
Engineer's report	3
Operator's report	4
Monthly activity report	5