

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

August 14, 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 14th day of August, 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, thus constituting a quorum.

Also present at the meeting were: Lieutenant Wayne Curry of the Harris County Precinct 4 Constable's Office; 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.; 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 July 10, 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.

The Board discussed the Interlocal Agreement for Law Enforcement Services with Harris County. Following discussion, Director Bernardini moved to approve the

Interlocal Agreement with Harris County, subject to a rate increase not to exceed 4% and ABHR's review. Director Swann 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.

Ms. Austin stated that Positive Pay caught a fraudulent check. Discussion ensued regarding Positive Pay and the Automatic Clearing House.

Following review and discussion, Director Bernardini 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. She noted that check #1141 will be voided and reissued.

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 the summary has been updated to include the generator replacement at Malcomson Road water plant and updated costs for the proposed North Harris County Regional Water Authority ("NHCRWA") surface water line to Oak Bluff water plant.

Mr. Matkin 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.

Mr. Matkin gave an update on the ongoing discussion of the District's water system, as reflected in the engineer's report. He reported that Baxter Woodman and ABHR met with NHCRWA to discuss the proposed surface water line to Oak Bluff water plant. He stated that NHCRWA will design and construct the project but will not remove the cap on its project cost participation. Discussion ensued regarding an

Interlocal Agreement with NHCRWA, including the proposed route, payment schedules, bid process, and project schedule.

Mr. Matkin updated the Board on the water distribution system modeling, as reflected in the engineer's report.

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

Ms. Noeldner recommended the replacement of the emergency generator at the Oak Bluff water plant. She reviewed a preliminary opinion of probable costs for a diesel generator in the amount of \$325,000 and for a natural gas generator in the amount of \$500,000. Discussion ensued.

Ms. Noeldner updated the Board on the water plant improvements, as reflected in the engineer's report. She discussed combining fence replacement, replacement of the generator, and re-grading in one project. She then requested authorization to solicit bids for the water plant coating improvements.

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 Bernardini moved to: (1) approve the engineer's report; (2) authorize Baxter Woodman and ABHR to continue to negotiate with NHCRWA regarding the proposed surface water line and related Interlocal Agreement; and (3) authorize Baxter Woodman to solicit bids for the water plant coating improvements. Director Kennedy 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 98.71%.

Mr. Riley updated the Board on the valve survey.

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.

Director Bernardini updated the Board on Public Power Pool matters, including the current contract and market forces in the energy market.

Following review and discussion, Director Bernardini 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 Murr seconded the motion, which passed unanimously.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

Director Murr updated the Board on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC") MATTERS

Director Skarboszewski reported on LFPAC matters.

WEBSITE AND COMMUNICATION MATTERS

The Board discussed website and communication matters.

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

/s/ Michael Murr  
Secretary, Board of Directors



(SEAL)

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