

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

September 11, 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 11th day of September, 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 Swann, thus constituting a quorum.

Also present at the meeting were: Spencer Day of Masterson Advisors LLC; 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.

Director Bernardini called for a moment of silence to commemorate 22 years since September 11, 2001.

MINUTES

The Board considered approving the minutes of the August 14, 2023, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes as presented. Director Kennedy seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board discussed the Interlocal Agreement for Law Enforcement Services with Harris County. Ms. Harrington reported that the contract price will increase by

5% for the coming year but the Board only approved a 4% increase last month. Following discussion, Director Bernardini moved to re-approve the Interlocal Agreement with Harris County with the 5% increase and direct that the Interlocal Agreement be filed appropriately and retained in the District's official records. Director Skarboszewski seconded the motion, which passed unanimously.

Lieutenant Curry then reviewed the security report and discussed security matters in the District. A copy of the security report is attached. Discussion ensued regarding Flock Safety cameras.

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 noted that check no. 11657 has been voided and replaced with additional check no. 11658 to North Harris County Regional Water Authority ("NHCRWA") in the amount of \$124,181.74.

Ms. Austin stated that the District is still awaiting sales tax funds from the City of Houston for April 2022. The Board requested ABHR contact the City of Houston to resolve the issue.

Following review and discussion, Director Bernardini moved to approve the bookkeeper's report and payment of the bills including additional check no. 11658. Director Kennedy 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 Skarboszewski moved to approve the tax assessor/collector's report and payment of the tax bills. Director Bernardini seconded the motion, which passed unanimously.

Mr. Day then reviewed a 2023 tax rate analysis, a copy of which is attached. The Board discussed the District's operation and maintenance tax rate. Ms. Harrington then discussed the two-step process for setting the District's tax rate.

Following discussion, Director Skarboszewski moved to: (1) set the public hearing date for October 9, 2023; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 9, 2023, to set the proposed 2023 total tax rate

of \$0.32177 per \$100 of assessed valuation. Director Bernardini seconded the motion, which passed unanimously.

There was no discussion on the Resolution Nominating Candidate for Board of Directors Election for Harris Central Appraisal District.

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.

Mr. Matkin stated that Lake Forest Plant Advisory Committee ("LFPAC") has not met.

Mr. Matkin gave an update on the ongoing discussion of the District's water system, as reflected in the engineer's report, noting that the draft water distribution modeling report has been emailed to directors. He reported that Baxter Woodman and ABHR have provided comments to NHCRWA's draft agreement. Discussion ensued.

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. She recommended approval of Pay Estimate No. 1 and Final for the sanitary sewer system cleaning and televising program - area III in the amount of \$36,405.86, submitted by CSI Consolidated, LLC dba AIMS Companies, and final acceptance of the contract.

Ms. Noeldner updated the Board on the replacement of the emergency generator at the Oak Bluff water plant. Discussion ensued regarding location, noise levels, combining projects, and a project schedule.

Ms. Noeldner stated that bids were received for the water plant coating improvements. She recommended the Board award the contract to the low bidder Trey Evans Co., in the amount of \$23,150.00, including alternate no. 1. The Board concurred that, in its judgment, Trey Evans Co. was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. The Board requested Baxter Woodman contact the Trey Evans Co. regarding its current projects.

Ms. Noeldner updated the Board on the water plant improvements, as reflected in the engineer's report. Mr. Riley stated that the roof repairs at Oak Bluff water plant and Malcomson Road water plant have been completed.

Ms. Noeldner stated the annual water plant evaluations for the Oak Bluff water plant and Malcomson Road water plant ground storage tanks are due in October and she requested authorization to proceed with the ground storage tank inspections and prepare the evaluation reports.

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

Mr. Riley stated that the resident at 11823 Park Creek Drive has not erected the fence which would require a Consent to Encroach.

Following review and discussion, and based on the engineer's recommendation, Director Bernardini moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 1 and Final for the sanitary sewer system cleaning and televising program - area III in the amount of \$36,405.86, to CSI Consolidated, LLC dba AIMS Companies, and final acceptance of the project; (3) award the contract to Trey Evans Co. for water plant coating improvements plus alternate no. 1 in the amount of \$23,150.00, subject to contacting the contractor regarding current projects and review of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor; and (3) authorize Baxter Woodman to proceed with the Oak Bluff water plant and Malcomson Road water plant ground storage tank inspections and prepare the evaluation reports. Director Murr seconded the motion, which passed unanimously.

UPDATE ON EMERGENCY WATER INTERCONNECT WITH FAULKEY GULLY MUNICIPAL UTILITY DISTRICT ("FAULKEY GULLY") AND TAKE APPROPRIATE ACTION

Ms. Harrington updated the Board on renewal of the emergency water supply agreement with Faulkey Gully. Ms. Noeldner stated that Faulkey Gully is testing its lines to confirm whether there is a second, unmetered emergency water interconnect.

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 99.24%.

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.

Discussion ensued regarding the District's Drought Contingency Plan, NHCRWA's Drought Contingency Stage 2 notice, and updating District signs for drought contingency.

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 Skarboszewski 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 MATTERS

There was no discussion on this agenda item.

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.

Secretary, Board of Directors



(SEAL)

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