

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

October 11, 2021

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 18 of Harris County, Texas (the “District”), met in regular session, open to the public, on the 11th day of October, 2021, 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 Kennedy, thus constituting a quorum.

Also present at the meeting were: Wendy Austin of District Data Services, Inc. (“DDS”); Tom Matkin and Janice Noeldner of AEI Engineering, a Baxter Woodman Company (“AEI”); Nick Paradiso of Concentric Integration; TR Riley of Eagle Water Management, Inc. (“Eagle”); and Adisa Harrington and Faye Simonds of Allen Boone Humphries Robinson LLP (“ABHR”).

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board.

On the telephone was: Yvonne Luevano of Wheeler & Associates, Inc. (“Wheeler”).

PUBLIC COMMENT

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the September 13, 2021, regular meeting. After review and discussion, Director Swann moved to approve the minutes of the September 13, 2021, regular meeting, as presented. Director Skarboszewski 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, the quarterly investment report, and the District's bills presented for payment. A copy of the bookkeeper's report is attached.

Ms. Austin updated the Board on Central Bank's fees, including monthly maintenance fees of \$15.00, and a stop check payment fee of \$30.00. The Board discussed the budget for the fiscal year end December 31, 2022, including the Lake Forest Utility District's rate increase. Ms. Austin stated she will provide a draft budget for fiscal year end December 31, 2022, at the next meeting.

After review and discussion, Director Skarboszewski moved to approve the bookkeeper's report, quarterly investment report, and payment of the bills. Director Swann seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board reviewed the security report submitted by Harris County Constable Precinct 4 and discussed security matters in the District. A copy of the security report is attached.

DISCUSS FINANCING OPTIONS FOR CAPITAL IMPROVEMENT PROJECTS AND TAKE APPROPRIATE ACTION

There was no discussion on this agenda item.

ENGINEER'S REPORT

Mr. Matkin and 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 there were no changes.

Ms. Noeldner gave an update on Lake Forest Plant Advisory Council activities and reviewed the Plant engineer's report, a copy of which is attached to the engineer's report.

Ms. Noeldner updated the Board on the Malcomson Road water plant rehabilitation, as reflected in the engineer's report. She reviewed and recommended approval of Pay Estimate No. 5 and Final in the amount of \$36,426.90, submitted by Blastco Inc., and final acceptance of the project.

Ms. Noeldner requested authorization to prepare and submit the required operational permits to Harris County.

Ms. Noeldner reviewed reports for water well nos. 2 and 3 with the Board, copies of which are attached to the engineer's report.

Ms. Noeldner stated that the District's Risk & Resilience Assessment certification was submitted to the Environmental Protection Agency on June 25, 2021. She reported that the deadline to submit certification of the District's Emergency Response Plan is December 25, 2021, and she added that AEI is reviewing the draft Emergency Response Plan.

Ms. Noeldner updated the Board on the PLC and SCADA programming backup project, as reflected in the engineer's report. Mr. Paradiso presented and reviewed a light SCADA assessment report and a summary of his recommendations. Following discussion, the Board requested an updated cost summary table for the proposed SCADA-related improvements.

Mr. Matkin presented an opinion on probable costs in the amount of \$42,000 for the sanitary sewer cleaning and televising of Area II, which is scheduled for January 2022.

Mr. Matkin stated that the annual water plant evaluation report for the District's two ground storage tanks will be presented to the Board at the next regular meeting.

Mr. Matkin reported the one-year warranty inspection for the Oak Bluff and Malcomson Road water plant electrical improvements was completed on September 13, 2021. He stated AEI issued a one-year acceptance certificate, a copy of which is attached to the engineer's report.

Mr. Matkin stated that AEI received plans for an addition to Hamilton Elementary School. He reported that AEI issued a no objection letter, a copy of which is attached to the engineer's report.

Mr. Matkin stated that record drawings were provided to Brinkley and Barfield, Inc., for a CenterPoint telecommunications project.

Mr. Matkin stated that there is a proposed development of approximately 80 acres south of the intersection of Grant Road and Old Kluge Road, near Hamilton Elementary School. He stated that the District's water line and sanitary sewer maps were provided to the developer. He added that AEI has not received an update.

Following review and discussion, and based on the engineer's recommendation, Director Bernardini moved to (1) approve the engineer's report; (2) authorize AEI to prepare and submit the required Harris County operational permits; and (3) approve Pay Estimate No. 5 and Final in the amount of \$36,426.90 to Blastco Inc., for the Malcomson

Road water plant rehabilitation, and final acceptance of the project. Director Skarboszewski seconded the motion, which passed unanimously.

Director Murr left the meeting.

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 94.85%.

Mr. Riley reviewed the customer service report with the Board.

Mr. Riley reviewed a leak detection report from Accurate Meter & Backflow, LLC. He stated that the six identified leaks have been fixed.

Mr. Riley stated approval has been received from the Texas Commission on Environmental Quality ("TCEQ") to switch to free chlorine for waterline maintenance, and that the waterline maintenance has been scheduled for November 8, 2021. Following discussion, the Board concurred to delay the switch to free chlorine for waterline maintenance until Spring 2022.

Discussion ensued regarding customers using Compass BBVA's automatic bank draft for payment of their utility bill. The Board requested Eagle coordinate with Director Bernardini to post a notice on the District's website regarding the temporary suspension of automatic bank draft for payment of customer utility bills during the transition from Compass BBVA to Central Bank. The Board concurred to waive late fees and penalties for auto-pay customers during the transition.

Ms. Harrington reviewed a memorandum with the Board regarding legislative changes to Section 182.052, Utilities Code, relating to confidentiality of certain personal and billing information of utility customers, a copy of which is attached. She said such information must be kept confidential, with certain exceptions, unless the customer requests disclosure. Ms. Harrington discussed the requirement for the District to provide notice of the customer's right to request disclosure, along with a request form, by including the notice and form with the utility bills sent to customers. Mr. Riley confirmed that Eagle received the required notice and form language from ABHR for inclusion on the utility bills.

The Board discussed the District's Rate Order. Following discussion, the Board concurred not to amend the District's Rate Order at this time.

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 (1) to accept the operator's report; and (2) that because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, to terminate utility service in accordance with the procedures set forth in the District's Rate Order, 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.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Luevano reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 98.59% of the 2020 taxes had been collected as of September 30, 2021.

Following review and discussion, Director Bernardini moved to approve the tax assessor/collector's report and payment of the tax bills. Director Swann seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Luevano stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$0.356.

Ms. Harrington opened the public hearing. There being no comments from the public, Ms. Harrington closed the public hearing.

Ms. Harrington presented an Order Levying Taxes reflecting the proposed 2021 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the TCEQ and recorded in the Official Public Records of Harris County.

After review and discussion, Director Skarboszewski moved to (1) adopt the Order Levying Taxes reflecting a total 2021 tax rate of \$0.356 per \$100 of assessed valuation; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Bernardini seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

The Board considered nominating a candidate for the Board of Directors Election for HCAD and concurred to take no action on the matter.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO SEND INVOICE TO JECOBIAN AND RACHEL RICHARDSON FOR ANNUAL FEE PURSUANT TO THE OUT-OF-DISTRICT SERVICE AGREEMENT

The Board discussed the annual fee pursuant to the Out-of-District Service Agreement. Following review and discussion, Director Skarboszewski moved to authorize the tax assessor/collector to send an invoice to Jacobian and Rachel Richardson for the annual fee pursuant to the Out-of-District Service Agreement. Director Bernardini seconded the motion, which passed unanimously.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA") MATTERS

There was no discussion on this agenda item.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC") MATTERS

Director Skarboszewski reported on the most recent LFPAC meeting.

WEBSITE MATTERS

The Board reviewed the monthly activity report, a copy of which is attached. Director Bernardini updated the Board on website matters.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

The Board convened in Executive Session at 11:37 a.m. pursuant to Section 551.076 of the Texas Water Code, to deliberate the deployment, or specific occasions for implementation, of security personnel or devices, or a security audit. Ms. Harrington, Mr. Riley, and Ms. Simonds were also present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 12:04 p.m. No action was taken by the Board.

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

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Secretary, Board of Directors

(SEAL)



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