

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

November 8, 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 8th day of November, 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, thus constituting a quorum.

Also present at the meeting were: Wendy Austin of District Data Services, Inc. ("DDS"); Yvonne Luevano of Wheeler & Associates, Inc. ("Wheeler"); 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 David Oliver 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.

There were no members of the public using the telephone option.

PUBLIC COMMENT

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the October 11, 2021, regular meeting. After review and discussion, Director Swann moved to approve the minutes of the October 11, 2021, regular meeting, as presented. Director Murr 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.

BUDGET FOR FISCAL YEAR END DECEMBER 31, 2022

Ms. Austin reviewed the draft budget for fiscal year end December 31, 2022, a copy of which is included in the bookkeeper's report. Discussion ensued and the Board concurred to adopt the budget at the December Board meeting.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy and determined not to make any amendments to the Investment Policy.

ADOPT RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Simonds reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and stated that the Resolution updates the list of institutions with which the District may invest funds.

Following review and discussion, Director Skarboszewski moved to: (1) approve the bookkeeper's report and payment of the bills; (2) adopt a Resolution Regarding Annual Review of Investment Policy reflecting that no amendments were necessary to the Investment Policy at this time; (3) adopt the Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions; and (4) direct that the Resolutions be filed appropriately and retained in the District's official records. Director Swann 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 0.07% of the 2021 taxes had been collected as of October 31, 2021.

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

ADOPT RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS FOR HARRIS COUNTY APPRAISAL DISTRICT

Mr. Oliver reviewed a Resolution Casting Ballot for the Election of a Person to the Board of Directors of the Harris County Appraisal District. After review and discussion, Director Bernardini moved to cast the District's vote for Jonathan Cowen and adopt the Resolution Casting Ballot for the Election of a Person to the Board of Directors of the Harris County Appraisal District and direct that the Resolution be filed appropriately and retained in the District's official records. Director Skarboszewski seconded the motion, which carried unanimously.

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 that it has been updated to remove the projects that have been completed.

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 stated that AEI is preparing the operational permit applications for submittal to Harris County.

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 has provided the Board and consultants a draft Emergency Response Plan for their review.

Ms. Noeldner updated the Board on the PLC and SCADA programming backup project, as reflected in the engineer's report. She presented and reviewed a revised summary of recommendations.

Ms. Noeldner 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.

Ms. Noeldner presented water plant evaluation reports for the District's two ground storage tanks, copies of which are attached to the engineer's report. The Board requested Eagle obtain a proposal to add slip resistant material to the roofs of both water plants.

Ms. Noeldner stated that AEI received plans for an addition to Hamilton Elementary School. She added that AEI has not received an update since issuing a letter of no objection.

Ms. Noeldner stated that record drawings were provided to Brinkley and Barfield, Inc., for a CenterPoint telecommunications project. She added that AEI has not received an update.

Ms. Noeldner 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. She stated that the District's water line and sanitary sewer maps were provided to the developer. She added that AEI has not received an update.

Mr. Matkin presented and reviewed an Amendment to Agreement for Engineering Services. Discussion ensued regarding the Employee Cost Index. Following discussion, the Board concurred to hold a special meeting on November 16, 2021, at 9:30 a.m., at the offices of Murr Incorporated, 11803 Grant Road, Suite 208, Houston, Texas 77429, to review the Amendment to Agreement for Engineering Services.

Following review and discussion, and based on the engineer's recommendation, Director Bernardini moved to approve the engineer's report. 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 97.54%.

Mr. Riley reviewed the customer service report with the Board. The Board requested Eagle inform customers of the EyeOnWater application as a tool to monitor leaks. Director Bernardini stated that Eagle provided a video regarding the EyeOnWater application and requested authorization to post the video to the District's website.

The Board discussed security camera proposals. Following discussion, the Board concurred to discuss the security camera proposals at the special meeting on November 16, 2021.

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; (2) authorize Director Bernardini to post the video regarding the EyeOnWater application to the District's website; and (3) 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 Kennedy seconded the motion, which passed unanimously.

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

Director Murr reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL ("LFPAC") MATTERS

Director Skarboszewski reported on the most recent LFPAC meeting.

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.

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 did not convene in executive session.

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