

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

November 14, 2022

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 14th day of November, 2022, 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 in person or via teleconference were Avik Bonnerjee of B&A Municipal Tax Service, LLC; David Quin of Public Power Pool (“P3”); Wendy Austin of District Data Services, Inc. (“DDS”); Yvonne Luevano of Wheeler & Associates, Inc.; Tom Matkin and Janice Noeldner of AEI Engineering, a Baxter Woodman Company (“AEI”); 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.

MINUTES

The Board considered approving the minutes of the October 10, 2022, regular meeting, and October 20, 2022, special meeting. After review and discussion, Director Skarboszewski moved to approve the minutes as presented. Director Swann seconded the motion, which passed unanimously.

PUBLIC POWER POOL ELECTRICITY CONTRACT PROCUREMENT MATTERS

Mr. Quin updated the Board on P3’s electricity contract procurement. He reviewed a Transaction Report for P3’s New 2022 Procurement and a Forward Budget Report with the Board, copies of which are attached. He stated that P3 executed a new contract with MP2 Energy Texas LLC on October 26, 2022, for a three-year period starting January 1, 2023, at 6.73 cents/kWh.

SECURITY MATTERS

Director Bernardini updated the Board on security matters.

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.

BUDGET FOR FISCAL YEAR END DECEMBER 31, 2023

Ms. Austin reviewed the draft budget for fiscal year end December 31, 2023, 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. Harrington 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.

CONSIDER APPROVAL OF AMENDMENT TO BOOKKEEPING SERVICES AGREEMENT

Ms. Austin reviewed an Amendment to Bookkeeping Services Agreement between the District and DDS.

Following review and discussion, Director Murr 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; (4) approve the Amendment to Bookkeeping Services Agreement between the District and DDS; and (5) direct that the

Resolutions and Amendment be filed appropriately and retained in the District's official records. Director Swann seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Luevano reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 3.43% of the 2022 taxes had been collected as of October 31, 2022.

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.

Mr. Bonnerjee introduced himself to the Board and reviewed a Sales Tax Permit Audit, a copy of which is attached. He noted that the District has not received sales tax funds from the City of Houston (the "City") for April 2022. He reported that the City has stated that the payment for April 2022 has cleared their account and he has requested backup for the outstanding payment.

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 that there are no changes to the summary.

Mr. Matkin gave an update on Lake Forest Plant Advisory Council ("LFPAC") activities and reviewed the Plant engineer's reports, copies of which are attached to the engineer's report.

Mr. Matkin gave an update on the ongoing discussion of the District water system, as reflected in the engineer's report.

The Board discussed the proposed construction of a North Harris County Regional Water Authority ("NHCRWA") water line to Oak Bluff water plant, as reflected in the engineer's report. Mr. Matkin stated that NHCRWA is willing to contribute 50% to the project up to a maximum cost of \$1,627,000 as outlined in the preliminary opinion of probable cost. Discussion ensued regarding potential easement acquisition costs and ownership of the waterline. Following discussion, the Board requested that AEI follow up with the NHCRWA to request that the NHCRWA pay 50% of actual costs instead of 50% of estimated costs.

Ms. Noeldner updated the Board on the District's water distribution modelling.

Ms. Noeldner updated the Board on the sanitary sewer system cleaning and televising program, as reflected in the engineer's report.

Ms. Noeldner stated that the annual evaluations of the Oak Bluff water plant ground storage tank and Oak Bluff and Malcomson Road water plants are complete, and the evaluation reports are being prepared.

Ms. Noeldner stated that the water plant site inspections were completed on October 20, 2022, and reviewed a draft summary memorandum with recommendations, a copy of which is attached to the engineer's report.

Ms. Noeldner reported that the One Year Acceptance Certificate for the Malcomson Road water plant rehabilitation was issued on November 8, 2022.

Ms. Noeldner updated the Board on the request for sanitary sewer service to Parsons House, as reflected in the engineer's report.

Ms. Noeldner stated that construction of the Hamilton Elementary School addition is anticipated to finish in August 2023.

Ms. Noeldner stated that record drawings were provided to Binkley and Barfield, Inc. for a CenterPoint telecommunications project. She added that construction appears to be substantially complete, but AEI is awaiting a status update on the project.

Following review and discussion, and based on the engineer's recommendation, Director Skarboszewski moved to approve the engineer's report. Director Kennedy seconded the motion, which passed unanimously.

EMERGENCY RESPONSE PLANS

There was no discussion on this agenda item.

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 96.55%.

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.

Mr. Riley stated that he will provide a proposal for a valve survey at the next regular meeting.

Following review and discussion, Director Skarboszewski moved to accept the operator's report and authorize Eagle to notify the residents on the termination list of their nonpayment, but not to disconnect residents' utility service until January 2023, after the holidays. Director Kennedy seconded the motion, which passed unanimously.

REVIEW NHCRWA FEES AND, IF APPROPRIATE, AMEND THE DISTRICT'S RATE ORDER

Mr. Riley stated that no amendments were required to the District's Rate Order.

NHCRWA MATTERS

Director Murr reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

WEBSITE MATTERS

The Board reviewed the monthly activity report, a copy of which is attached.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY

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)

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