

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

December 12, 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 12th day of December, 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 were: Lieutenant Wayne Curry of the Harris County Precinct 4 Constable's Office; Wendy Austin of District Data Services, Inc. ("DDS"); Autumn Clark 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 November 14, 2022, 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

Lieutenant Curry reviewed the security report and discussed security matters in the District. A copy of the security report is attached.

## AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2022

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson") to conduct the District's annual audit for fiscal year end December 31, 2022. Ms. Harrington informed the Board that McCall Gibson is estimating a fee range of \$11,250 to \$13,250 for preparing the audit for the fiscal year ending December 31, 2022. Following review and discussion, Director Skarboszewski moved to authorize McCall Gibson to conduct the annual audit for fiscal year end December 31, 2022. Director Murr seconded the motion, which passed by unanimous vote.

## 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.

Ms. Austin noted that the District is still awaiting sales tax funds from the City of Houston for April 2022.

Ms. Austin next reviewed the budget for fiscal year end December 31, 2023, including the budget for the Lake Forest Plant Advisory Council ("LFPAC"). A copy of the budget is attached to the bookkeeper's report.

The Board then discussed the Association of Water Board Directors ("AWBD") winter conference and reviewed the District's Travel Reimbursement Guidelines.

Following review and discussion, Director Skarboszewski moved to: (1) approve the bookkeeper's report and payment of the bills; (2) adopt the District's budget for fiscal year end December 31, 2023, as presented; (3) approve the budget for LFPAC; and (4) authorize three per diems, two nights of hotel accommodations, and reasonable meals for Directors attending the AWBD winter conference, all to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Swann seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Clark reviewed the tax assessor/collector's report and the delinquent tax roll, copies of which are attached. She reported that 7.29% of the 2022 taxes had been collected as of November 30, 2022.

Ms. Clark stated that she will provide a write-off list for delinquent accounts more than four years old at the next meeting.

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.

## 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 stated that LFPAC's next meeting is scheduled for December 13, 2022.

Mr. Matkin gave an update on the ongoing discussion of the District water system, as reflected in the engineer's report. Discussion ensued regarding 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 then updated the Board on the District's water distribution modelling.

Ms. Noeldner updated the Board on the sanitary sewer system cleaning and televising program. She requested authorization to commence design of the solicitation package.

Ms. Noeldner reviewed the annual evaluation of the Oak Bluff water plant and ground storage tank, a copy of the which is attached to the engineer's report. She added that the annual evaluation report for Malcomson Road water plant will be presented at the next meeting.

Ms. Noeldner updated the Board on the water plant improvements, as reflected in the engineer's report.

Ms. Noeldner stated that the Harris County Hazardous Materials Operational Permits expires February 23, 2023. She requested authorization to renew the permits.

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.

Mr. Matkin stated that a resident at 11823 Park Creek Drive contacted AEI regarding their proposed installation of a wrought iron fence and gate which would be located within a District sanitary sewer easement. Discussion ensued regarding whether the Homeowners Association would approve the fence and whether to consider granting a consent to encroachment ("CTE"). The Board requested AEI work with ABHR to respond to the resident stating that the Board would consider granting a CTE, subject to the Homeowners Association approving the fence and gate and the resident submitting a deposit to cover the District's costs in connection with the CTE.

Mr. Matkin reviewed AEI's annual Employment Cost Index pursuant to the District's contract with AEI. He noted that the 3% increase in AEI hourly rates will be effective January 1, 2023.

Following review and discussion, and based on the engineer's recommendation, Director Skarboszewski moved to: (1) approve the engineer's report; (2) authorize AEI to commence design of the solicitation package for the sanitary sewer system cleaning and televising program; (3) authorize AEI to renew the Harris County Hazardous Materials Operational Permits; and (4) authorize AEI to respond to the resident, as discussed. 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 92.08%.

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.

The Board reviewed the District's critical load spreadsheet with an update to the District's electricity provider.

Mr. Riley reviewed recommended revisions to the District's Rate Order. Discussion ensued regarding certified payment options when a customer's account is delinquent, and the Board requested that Mr. Riley research whether online payment options such as Zelle can be provided.

Ms. Harrington then discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due

during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. Ms. Harrington reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023. Ms. Harrington then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency, as well as the revisions recommended by Mr. Riley.

Following review and discussion, Director Bernardini moved to: (1) accept the operator's report; (2) 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; (3) approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the District's official records; and (4) adopt the District's amended Rate Order and direct that the Rate Order be filed appropriately and retained in the District's official records. Director Murr seconded the motion, which passed unanimously.

NHCRWA MATTERS

Director Murr reported on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

There was no discussion on this agenda item.

WEBSITE MATTERS

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

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Harrington reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

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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