

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

December 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 December, 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, thus constituting a quorum.

Also present at the meeting were: Avik Bonnerjee and Brenda Bonnerjee of B&A Municipal Tax Service, 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. (“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 13, 2023, regular meeting. After review and discussion, Director Skarboszewski moved to approve the minutes as presented. Director Bernardini seconded the motion, which passed unanimously.

SECURITY MATTERS

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

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2023

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC (“McCall Gibson”) to conduct the District’s annual audit for fiscal year end December 31, 2023. Ms. Harrington informed the Board that McCall Gibson is estimating a fee range of \$12,750 to \$13,750 for preparing the audit for the fiscal year ending December 31, 2023. Following review and discussion, Director Skarboszewski moved to authorize McCall Gibson to conduct the annual audit for fiscal year end December 31, 2023. Director Swann seconded the motion, which passed by unanimous vote.

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. Director Bernardini requested the energy consumption report be posted on the District’s website.

Ms. Austin next reviewed the budget for fiscal year end December 31, 2024, 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, 2024, 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 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.

The Board considered adopting a Resolution Casting Ballot for the Election of a Person to the Board of Directors for Harris Central Appraisal District. Ms. Harrington advised the Board that the District may cast a vote for a person to fill the position of director on the Board of Directors of the Harris Central Appraisal District (“HCAD”). She explained that the director will serve as a representative of the conservation and reclamation districts within HCAD’s jurisdiction.

Following review and discussion, Director Bernardini moved to: (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) adopt a Resolution Casting Ballot for the Election of a Person to the Board of Directors for HCAD reflecting the District's vote for Jonathan Cowen, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Swann seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING SALES TAX

Mr. Bonnerjee reviewed a Sales Tax Permit Audit with the Board, a copy of which is attached.

ENGINEERING REPORT

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 the summary has been updated, as reflected in the engineer's report.

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

Ms. Noeldner gave an update on the District's water system model and evaluation, as reflected in the engineer's report. Discussion ensued regarding manual flushing, water oxidization, and adjusting chemical injection spacing at water well no. 3. She then reviewed a draft abbreviated summary of the water distribution system modeling.

Ms. Noeldner updated the Board on the Phase IV sanitary sewer cleaning and televising.

Ms. Noeldner updated the Board on the Malcomson Road water plant generator replacement, fence replacement, and site improvement project.

Ms. Noeldner updated the Board on the water plant coating improvements, as reflected in the engineer's report. She stated the cost to re-coat the new flap valve will result in a Change Order in the amount of \$400.00.

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

Ms. Noeldner reviewed the Malcomson Road water plant evaluation report and provided recommendations to the Board.

Director Murr arrived at the meeting.

Ms. Noeldner stated that the hazardous materials operational permits for the Oak Bluff and Malcomson Road water plants are due on January 30, 2024, and February 1, 2024, respectively. She requested authorization to renew the permits.

Ms. Noeldner updated the Board on the lead service line inventory.

Ms. Noeldner reviewed Baxter & Woodman's annual rate increase and new 2024 hourly billing rates, effective January 1, 2024, noting that annual fee increases are included in the engineer's contract, so no Board action is needed.

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

Following review and discussion, and based on the engineer's recommendation, Director Bernardini moved to: (1) approve the engineer's report; (2) authorize Baxter & Woodman and Eagle to adjust the chemical injection spacing at water well no. 3; (3) authorize the re-coat of the new flap valve that will result in a Change Order in the amount of \$400.00; and (4) authorize Baxter & Woodman to renew the hazardous materials operational permits for the Oak Bluff and Malcomson Road water plants. Director Skarboszewski seconded the motion, which passed unanimously.

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

Ms. Noeldner stated that Faulkey Gully performed their water system test and confirmed that there is not a second interconnect with the District. Ms. Harrington reviewed a Second Amendment to Emergency Water Supply Contract with Faulkey Gully effective August 10, 2022. Following discussion, Director Bernardini moved to approve the Second Amendment, subject to final review by ABHR, and direct that the Second Amendment be filed appropriately and retained in the District's official records. Director Skarboszewski seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES AND HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Riley stated that Eagle received a request from a customer regarding an irrigation leak adjustment. He noted that the customer has now signed up for the

EyeOnWater app and recommended the Board adjust the customer's bill to the lowest tier and offer a payment plan.

Mr. Riley stated that two of Eagle's Post Office boxes may have been compromised due to a recent break-in at the Post Office. He noted that the Post Office is investigating the matter.

Mr. Riley reported that a contractor for EZEE Fiber has damaged several District trunk and/or service lines in the last couple of weeks and in some instances, the contractor attempted to make unauthorized repairs to the damaged lines. He added that workers were also observed taking District water from fire hydrants without using a temporary rental meter. He stated that Eagle will repair the damage and will backcharge the contractor for the work. Discussion ensued regarding potential violations of the District's Rate Order.

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 95.71%.

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 to: (1) accept the operator's report; (2) authorize Eagle to adjust the customer's water bill to the lowest tier and offer a payment plan; (3) authorize ABHR to send a cease and desist letter to the contractor, as discussed; and (4) authorize Eagle to notify the residents on the termination list of their nonpayment, but not to disconnect residents' utility service until January 2024, after the holidays. Director Skarboszewski seconded the motion, which passed unanimously.

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

Director Murr updated the Board on NHCRWA matters.

LAKE FOREST PLANT ADVISORY COUNCIL MATTERS

Director Skarboszewski reported on LFPAC matters.

WEBSITE AND COMMUNICATION MATTERS

The Board discussed website and communication matters.

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.

Secretary, Board of Directors



(SEAL)

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