

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

April 8, 2024

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 8th day of April, 2024, 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, except Directors Bernardini and Kennedy, thus constituting a quorum.

Also present at the meeting were: Wendy Austin and Roshell Arteburn of District Data Services, Inc.; Isabel Mata of Wheeler & Associates, Inc.; 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 March 11, 2024, regular meeting. After review and discussion, Director Swann moved to approve the minutes as presented. Director Skarboszewski seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board reviewed the security report and discussed security matters in the District. A copy of the security report is attached. The Board reviewed correspondence regarding 2025 interlocal agreement rate changes, a copy of which is attached.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Harrington stated that the District's insurance policies with W.I.N. through Arthur J. Gallagher & Co. ("W.I.N.") expire on August 12, 2024. The Board concurred for ABHR to obtain proposals from McDonald Wessendorff Insurance and Brown & Brown Insurance Services, Inc. if the W.I.N. renewal proposal has an increase of more than 10% excluding any increase due to property values.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin introduced Ms. Arterburn. Ms. Arterburn then 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. Discussion ensued regarding the capital improvement reserve.

Following review and discussion, Director Swann moved to approve the bookkeeper's report and payment of the bills. Director Murr 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.

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

ENGINEERING REPORT

Ms. Noeldner reviewed the engineer's report, a copy of which is attached.

Ms. Noeldner then 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 to include the awarded construction contract amounts and anticipated construction management costs, and that it will be further updated to move the Oak Bluff water plant ground storage rehabilitation project from 2025 to 2024.

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. Mr. Riley stated that the District's

switch to free chlorine for water line maintenance will commence on April 9, 2024. He added he will work with Director Bernardini to post notice of the maintenance on the District's website.

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

Ms. Noeldner updated the Board on the Malcomson Road water plant generator replacement, fence replacement, and site improvement project. She then reviewed options to comply with the City of Houston's ("City") noise level restriction ordinance. Discussion ensued regarding meeting with the City for a formal variance request, ABHR contacting legal counsel for the City to discuss the issue, and the decibel level for the current generator. The Board requested ABHR contact the City's legal counsel to discuss the noise level restriction ordinance. Ms. Noeldner then updated the Board on the Texas Public Utility Commission's Texas Energy Fund.

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

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

Ms. Noeldner updated the Board on the Oak Bluff water plant ground storage tank rehabilitation project.

Ms. Noeldner presented a storm water pollution education flyer, a copy of which is attached to the engineer's report. She stated the District is required to distribute the flyer as part of the annual renewal of the District's storm water quality permit. She requested authorization for the operator to include the flyer in the next water bill. Ms. Noeldner stated that during inspection of the Hidden Falls storm water system, erosion was discovered at the floatables collection screen. She recommended evaluation of the storm water pumping operating conditions.

Ms. Noeldner updated the Board on the District's lead service line inventory, as reflected in the engineer's report.

Ms. Noeldner updated the Board on the District's Emergency Preparedness Plan that has been submitted to the Texas Commission on Environmental Quality.

Following review and discussion, and based on the engineer's recommendation, Director Swann moved to: (1) approve the engineer's report; (2) authorize the operator to include the storm water pollution flyer in the next water; and (3) authorize Baxter & Woodman to evaluate the pump operating conditions of the Hidden Falls storm water system. 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 91.69%.

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 updated the Board on the District's valve survey.

Ms. Harrington stated that the District's Identity Theft Prevention Program (the "Program") requires Eagle to provide an annual written report addressing the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. The Board deferred action on this agenda item.

Ms. Harrington stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2024, prior to May 1st. Ms. Harrington then reviewed an Amended and Restated Drought Contingency Plan with the Board.

Following review and discussion, Director Swann moved to: (1) accept the operator's report; (2) terminate utility service in accordance with the procedures set forth in the District's Rate Order because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, and direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (3) adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Murr seconded the motion, which passed unanimously.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY 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. Following discussion, Director Swann moved to approve posting of the District's annual electricity usage on the District's website. Director Skarboszewski seconded the motion, which passed unanimously.

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

/s/ Michael Murr
Secretary, Board of Directors



(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	<u>Page</u>
Security report	1
Correspondence regarding 2025 interlocal security agreement rate change	1
Bookkeeper's report	2
Tax assessor/collector's report and delinquent tax roll	2
Engineer's report	2
Operator's report.....	4