

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

July 27, 2016

The Board of Directors (the "Board") of Harris County Improvement District No. 18 (the "District") met in regular session, open to the public, on the 27th day of July, 2016, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Robert T. Deden	President
Dwayne L. Mason	Vice President
Dana Benoit	Assistant Vice President
Sue Darcy	Secretary
Richard L. Rose	Assistant Secretary

and all of the above were present except Directors Benoit and Mason, thus constituting a quorum.

Also present at the meeting David Patterson of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno of TNG Utility Corp. ("TNG"); Stephen Eustis and Jan Bartholomew of Robert W. Baird & Co.; Mark Burton of Municipal Accounts and Consulting, L.P.; Daniel Lozano and Omar Oweis of Jacobs Engineering Group Inc. ("Jacobs"); Phil Martin and Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Joanne Stein, Bill Walker and Clayton Benedict of Springwoods Realty, Inc. ("SRI"); Martin Murdock with Jones & Carter, Inc. (J&C); Yepi Pelletier and Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); Ronnie Glaze of Harris County Constable, Precinct 4; and Anne Stanford and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the June 22, 2016, regular meeting, as amended. After review and discussion, Director Darcy moved to approve the minutes. Director Rose seconded the motion, and it carried by unanimous vote.

PUBLIC COMMENT

There was no public comment.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Burton presented the bookkeeper's report and reviewed the bills presented for payment from the District's accounts, proceeds and construction deposits.

Following discussion and review, Director Darcy made a motion to (1) approve the bookkeeper's report; (2) approve amendment of the Capital Projects Budget to include CityPlace Landscape Improvements - Phase I, including additional costs and a revised Facilities Extension Agreement reflecting the revised costs; (3) approve payment of costs for CityPlace Park Amenity Power Service and Spring Grove Park from park bond surplus; and (4) approve payment of the bills presented. The motion was seconded by Director Rose and passed unanimously. A copy of the bookkeeper's report and list of checks written is attached.

TAX ASSESSMENT AND COLLECTIONS MATTERS, INCLUDING COLLECTION OF DELINQUENT TAXES

Mr. Patterson reviewed the tax assessor/collector's report. He reported on collection of the 2015 taxes, certified and uncertified values for 2015, preliminary values for 2016, including the preliminary value for ExxonMobil, the lawsuit filed by ExxonMobil against the Harris County Appraisal District with regard to its certified value and hotel occupancy taxes received to date. After review and discussion, Director Darcy moved to (1) approve the tax assessor/collector's report and pay the bills presented for payment from the tax account; and (2) approve a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value as of August 1, 2016. Director Rose seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

OPERATION OF DISTRICT BILLINGS, REPAIRS AND MAINTENANCE

Mr. Reno reviewed TNG's monthly operations and maintenance report, a copy of which is attached, including an update regarding security equipment installation, water accountability, consumption totals, billing and collections, water production, compliance and a summary of operating charges for the month.

Mr. Reno also presented a revised Emergency Preparedness Plan with updated emergency contacts for the District and requested authorization to file the EPP with the Texas Commission on Environmental Quality ("TCEQ").

Following review and discussion, Director Rose moved to (1) approve the operator's report; and (2) approve the revised EPP, authorize TNG to file the EPP with the TCEQ and authorize ABHR to file the updated EPP with Harris County Emergency Management, the Public Utility Commission of Texas and Texas Division of Emergency Management. Director Darcy seconded the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

CONVEYANCES RELATED TO DISTRICT FACILITIES

There was no discussion for this agenda item, nor items presented for consideration.

DEVELOPER'S REPORT

Mr. Walker reported regarding development in the District.

DISTRICT FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

Ms. Stanford presented the following agreements and confirmed that disclosures compliance and pursuant to House Bill 1295 were received for:

1. Master Professional Services Agreement with Environmental Design;
2. C.L. Davis Task Order No. 008-16-018; Telecom Easement at East Mossy Oaks Road and Holzwarth Road; and
3. C.L. Davis Task Order No. 008-16-019; District Storm Sewer Easement on Parcel 13.

Following review and discussion, Director Rose moved to approve the above task orders, additional service authorizations, agreements and proposals. The motion was seconded by Director Darcy and passed unanimously.

DEVELOPER FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS AND PROPOSALS

There was no discussion for this agenda item, nor items presented for consideration.

ENGINEERING MATTERS

Mr. Lozano reviewed reports regarding engineering projects in the District. Copies of engineering reports discussed are attached.

Mr. Lozano first updated the Board regarding award of the contract for construction of CityPlace Landscape Improvements, Phase I and said the contracts will be routed to Director Deden for signature following review and approval of bonds and insurance.

Mr. Lozano also reported the status of the following construction projects and recommended approval of associated pay estimates, change orders, agreements and quantity contract adjustments, as listed below, and confirmed that disclosures pursuant to House Bill 1295 were received for change orders listed below:

1. Water Plant No. 1 – Phase 2 (Jones & Carter/WW Payton);
 - a. Pay Estimate No. 3;
 - b. Quantity Contract Adjustment No. 1 (Match Field Quantities Installed);
2. Springwoods Plaza Drive Paving and Underground CenterPoint Energy Facilities (Jones & Carter/Texas Sterling);
 - a. Pay Estimate No. 9;
 - b. Quantity Contract Adjustment No. 6 (Match Field Quantities Installed);
3. City Plaza Drive - Phase I (Jones & Carter/Texas Sterling);
 - a. Pay Estimate No. 8;
4. Lift Station No. 3, Water Main & Utility Extension (Jones & Carter/Clearwater Utilities, Inc.).
 - a. Pay Estimate No. 2;
 - b. Change Order No. 1 (Pipeline Crossing);
5. Waste Water Treatment Plant Phase II – 0.775 MGD to 1.50 MGD; (Jones & Carter/Pepper Lawson);
 - a. Pay Estimate No. 10;
6. Spring Stuebner Drainage and Detention Facility – Phase I (Jones & Carter/Reddico);
 - a. Pay Estimate No. 3;
7. Drainage Corridor 3 – Phase I (Spring Grove Park) (Jones & Carter/LN McKean);
 - a. Pay Estimate No. 2;
8. Springwoods Village Parkway – Phase 3 (Jones & Carter/R Construction);
 - a. Pay Estimate No. 9 & Final;
9. Lake Plaza Drive (Jones & Carter/L.N. McKean);
 - a. Pay Estimate No. 12 & Final;
 - b. Quantity Contract Adjustment No. 12 (Match Field Quantities Installed); and
10. Drainage Corridor 1 – Phase 2 – (Jones & Carter/L.N. McKean);
 - a. Pay Estimate No. 18 & Final;
 - b. Change Order No. 13 (Wheel Stops);
 - c. Quantity Contract Adjustments No. 13 (Match Field Quantities Installed).

Following discussion and review and based upon recommendation from the engineers, Director Rose moved to (1) approve the engineering report from Jacobs; (2) approve pay estimates, change orders and contract quantity adjustments listed above. Director Darcy seconded the motion which passed unanimously.

MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, a copy of which is attached to these minutes.

ATTORNEY'S REPORT

Ms. Stanford next discussed projects included in the District's bond application pending with the TCEQ, payments advanced by both the developer and from the District's operating funds to make contractual payments for construction of Water Plant No. 1, Phase 2 and Wastewater Treatment Plant, Phase 2 and presented Resolutions Regarding Intent to Reimburse the District's operating fund from bond proceeds when approved and received. Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to approve the Resolutions Regarding Intent to Reimburse, as discussed.

Ms. Stanford next discussed the status of the District's Conduit Purchase Agreement with Comcast.

REPORT ON SECURITY

Captain Glaze reported on security patrol for July, 2016.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

At 12:41 p.m. the Board, convened in Executive Session, along with representatives from ABHR, to conduct a private consultation with the District's attorney regarding a settlement.

RECONVENE IN OPEN SESSION

At 12:54 p.m. the Board reconvened in open session. Following discussion in executive session, Director Rose moved to accept a settlement with Comcast and authorize Director Deden to execute a Conduit Purchase Agreement, Bill of Sale and Easement, subject to attorney review. The motion was seconded by Director Darcy and passed unanimously.

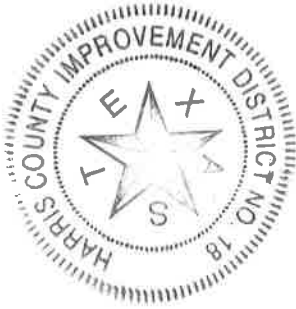
EXECUTIVE SESSION PURSUANT TO SECTION 551.076

The Board determined it was not necessary to convene in Executive Session pursuant to Section 551.076.

There being no further business to come before them, the Board concurred to adjourn the meeting.

Alice Darcy
Secretary, Board of Directors

(SEAL)



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