

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

August 24, 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 24th day of August, 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, thus constituting a quorum.

Also present at the meeting David Patterson of Assessments of the Southwest, Inc. ("ASW"); Jeff Reiman of The Broadband Group; J.C. Reno, Bill Callegari and Chip Callegari of TNG Utility Corp. ("TNG"); Adam Cohen of Robert W. Baird & Co.; Mark Burton and Natalia Galgano 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); William F. Rogers, III, Yepi Pelletier and Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); and Anne Stanford and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the July 25, 2016, regular meeting. After review and discussion, Director Rose moved to approve the minutes. Director Darcy 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; and (2) approve payment of the bills presented. The motion was seconded by Director Benoit and passed unanimously. A copy of the bookkeeper's report and list of checks written is attached.

Ms. Stanford stated that the Public Funds Investment Act and the District's Investment Policy require that the District annually review its investment policy. She reviewed a Resolution Regarding Annual Review of Investment Policy, reflecting no changes to the current policy. Following discussion and review, Director Darcy made a motion to approve a Resolution Regarding Annual Review of Investment Policy, reflecting no changes to the current policy. The motion was seconded by Director Benoit and carried unanimously.

Ms. Stanford stated that the Public Funds Investment Act also requires that the District annually review, revise and adopt a list of qualified broker/dealers with whom the District may engage in investment transactions. Mr. Burton noted that he has provided an updated list of District depository institutions and broker/dealers. Following discussion and review, Director Darcy made a motion to adopt the Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. The motion was seconded by Director Benoit and carried unanimously.

The Board then reviewed a development reimbursement report and, upon a motion by Director Darcy and a second by Director Benoit, the Board voted unanimously to approve the reimbursement report and authorize disbursement of funds from the District Series 2016 Defined Area No. 1 Unlimited Tax Road Bonds, as described in the report.

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 2016 and hotel occupancy taxes received to date. He also reviewed a request from taxpayer, T.J. Darilek, Inc. requesting waiver of penalty and interest due to a Harris County Appraisal District address error. After review and discussion, Director Benoit moved to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) waive penalty and interest assessed charged to taxpayer, T. J. Darilek. Director Darcy seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

Mr. Patterson next presented a proposed Payment Services Agreement between the District and First Mobile Trust, LLC changing credit card service providers from the District's current payment services provider, Official Payments, to First Billing Services. Following review and discussion, upon a motion by Director Mason and a second by

Director Darcy, the Board voted unanimously to approve the Payment Services Agreement with First Mobile Trust, LLC.

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 water accountability, consumption totals, billing and collections, water production, compliance and a summary of operating charges for the month. He also discussed with the Board a recent Notice of Violation received from the Texas Commission on Environmental Quality ("TCEQ") for lead and copper reporting violations occurring between January and June, 2016 and TNG's response to the TCEQ. He provided a sample of the required notice to District customers as part of compliance following a Tier III violation. Mr. Chip Callegari said that TNG would cover any fines assessed by the TCEQ for this violation, if any, and would pay the District's costs incurred, if any, to correct this violation.

Following review and discussion, Director Rose moved to approve the operator's report. Director Benoit seconded the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

AMEND RATE ORDER, INCLUDING GENERAL USE GUIDELINES, RULES AND POLICIES FOR PARKS AND RECREATIONAL FACILITIES

The Board next considered adopting an Amended Rate Order, including adoption of a General Use Guidelines and Policies for Parks and Recreational Facilities to be incorporated therein. Following review and discussion, upon a motion by Director Mason and a second by Director Darcy, the Board voted unanimously to amend the District Rate Order, as discussed.

ORDER ESTABLISHING RULES AND REGULATIONS CONCERNING PARKS AND RECREATIONAL RESERVES

Ms. Stanford presented an Order Establishing Rules and Regulations Concerning Parks and Recreational Reserves and discussed the necessary publications and posting to enforce the rules. Upon a motion by Director Benoit and a second by Director Darcy, the Board voted unanimously to adopt the Order, and authorize posting of signs Establishing Rules and Regulations Concerning Parks and Recreational Reserves in parks and recreational reserves notifying the public of the rules and penalties for violation.

RESOLUTION ADOPTING POLICY REGARDING THE USE OF OTHER POWER-DRIVEN MOBILITY DEVICES IN DISTRICT PARKS AND RECREATIONAL FACILITIES

The Board next considered adopting a Policy Regarding the Use of Other Power-Driven Mobility Devices for the District attached hereto, to comply with 28 CFR part 35. Following review and discussion, Director Benoit moved to adopt a Resolution Adopting a Policy Regarding the use of Other Power Driven Mobility Devices in District Parks and Recreational Facilities. The motion was seconded by Director Darcy and passed unanimously.

RESOLUTION REGARDING DELEGATION OF AUTHORITY IN EMERGENCIES

The Board discussed designating authority in the event of an emergency in the District. After review and discussion, Director Benoit moved to adopt a Resolution Regarding Delegation of Authority in Emergencies reflecting Director Deden as the designee and Director Mason as the back-up designee and direct that the Resolution be filed appropriately and retained in the District's official records. Director Rose seconded the motion, which passed unanimously.

CONVEYANCES RELATED TO DISTRICT FACILITIES

There was no discussion for this agenda item.

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 disclosure compliance pursuant to House Bill 1295 were received for:

1. C. L. Davis Task Order No. 008-16-020; Access Easement for CenterPoint Electric for Spring Stuebner Drainage and Detention Facility - Phase I;
2. Berg Oliver Associates Task Order No. 004-16-003; Site Assessment for Drainage Corridor 3 - Phase II (Spring Grove Park);
3. Amendment to Master Services Agreement with Environmental Design (task order increase to \$15,000); and
4. Amendment to Master Services Agreement with LN McKean (task order increase to \$15,000).

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

DEVELOPER FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS AND PROPOSALS

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

1. Tolunay-Wong Task Order No. 046-16-011; Additional Materials for Testing Lift Station No. 3, Water Main and Utility Extension.

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

ENGINEERING MATTERS

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

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 II (Jones & Carter/WW Payton);
 - a. Pay Estimate No. 4;
2. Springwoods Plaza Drive Paving and Underground CenterPoint Energy Facilities (Jones & Carter/Texas Sterling);
 - a. Pay Estimate No. 10 & final;
 - b. Quantity Contract Adjustment No. 7 (Match Field Quantities);
3. City Plaza Drive - Phase I (Jones & Carter/Texas Sterling);
 - a. Pay Estimate No. 9;
 - b. Quantity Contract Adjustment No. 7 (Match Field Quantities);
4. Lift Station No. 3, Water Main & Utility Extension (Jones & Carter/Clearwater Utilities, Inc.).
 - a. Pay Estimate No. 3;
 - b. Change Order No. 2 (Electrical Duct bank and Sleeves);
 - c. Quantity Contract Adjustment No. 1 (Match Field Quantities);
5. Waste Water Treatment Plant - Phase II - 0.775 MGD to 1.50 MGD; (Jones & Carter/Pepper Lawson);
 - a. Pay Estimate No. 11;

6. Spring Stuebner Drainage and Detention Facility - Phase I (Jones & Carter/Reddico);
 - a. Pay Estimate No. 4;
 - b. Quantity Contract Adjustment No. 1 (Match Field Quantities);
 - c. Change Order No. 1;
7. Drainage Corridor 3 - Phase I (Spring Grove Park) (Jones & Carter/LN McKean);
 - a. Pay Estimate No. 3;
 - b. Quantity Contract Adjustment No. 1 (Match Field Quantities);
and
8. Hardy Toll Road Traffic Signal Improvements - Phase I (Jones & Carter/Third Coast);
 - a. Pay Estimate No. 6 & final.

Ms. Stanford next discussed an Amendment to the District's contract for Wastewater Treatment Plant Expansion, Phase 2.

Following discussion and review and based upon recommendation from the engineers, Director Mason moved to (1) approve the engineering report from Jacobs; (2) approve pay estimates, change orders, contract quantity adjustments and contract amendments listed above. Director Benoit 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, including an update regarding issues with the District's landscape maintenance contractor and public inquiries made through the District's website.

ATTORNEY'S REPORT

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

REPORT ON SECURITY

The Board reviewed a report regarding security patrol for August, 2016.

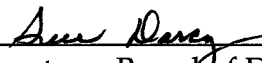
EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

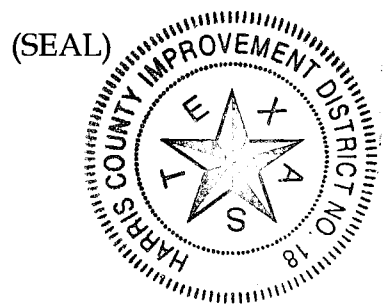
The Board determined it was not necessary to convene in Executive Session pursuant to Section 551.071.

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.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u> <u>Page</u>
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Operator's report.....	3
Engineering reports from Jacobs	5