

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

November 30, 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 30th day of November, 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 were David Patterson of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno and Chip Callegari of TNG Utility Corp. ("TNG"); Mark McGrath of McGrath & Co, PLLC; Mark Burton of Municipal Accounts and Consulting, L.P.; Gary Oradat and Omar Oweis of Jacobs Engineering Group Inc. ("Jacobs"); Daniel Lozano of Halff Associates, Inc. ("Halff"); Nick Cooke and Phil Martin of Mike Stone Associates, Inc. ("MSA"); Mary Jew and Toyin Longe, residents of Harper Woods; Joanne Stein, Bill Walker and Clayton Benedict of Springwoods Realty, Inc. ("SRI"); Martin Murdock with Jones & Carter, Inc. (J&C); Christy Wussow and Yepi Pelletier of ExxonMobil Corporation ("ExxonMobil"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the October 25, 2016, regular meeting. After review and discussion, Director Rose moved to approve the minutes. Director Mason seconded the motion, and it carried by unanimous vote.

REPORT ON SECURITY

The Board received and reviewed a security patrol report for November 2016. A copy of the patrol report is attached to these minutes.

PUBLIC COMMENT

There was no public comment.

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 2016 taxes and hotel occupancy taxes received to date. After review and discussion, Director Darcy moved to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) approve Resolutions Requesting Appraisal of Property and Certificate of Estimated Appraised Value in the District and Defined Area No. 1. Director Rose seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

DEVELOPER REIMBURSEMENT REPORT FOR UNLIMITED TAX BONDS SERIES 2016

Mr. McGrath reviewed a developer reimbursement report for the District's \$38,000,000 Unlimited Tax Bonds, Series 2016. Following review and discussion, Director Mason moved to approve the report. Director Benoit seconded the motion, which was passed unanimously. A copy of the draft developer reimbursement report is attached.

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.

Ms. Humphries stated the bookkeeper's report includes a check for the purchase from operating funds of a 6.4898 tract of land previously conveyed to the District as part of Drainage Corridor No. 3.

Following discussion and review, Director Darcy made a motion to (1) approve the bookkeeper's report; (2) approve payment of the bills presented; (3) authorize disbursement of funds to Springwoods Realty, Inc. as payment for acquisition of 6.4898 acres; and (4) authorize disbursement of Series 2016 bond proceeds, as outlined in the previously approved developer reimbursement report. The motion was seconded by Director Benoit and passed unanimously. A copy of the bookkeeper's report and list of checks written 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 water accountability, consumption totals, billing and collections, water production, compliance and a summary of operating charges for the month.

Mr. Reno updated the Board with regard to additional lead and copper sampling following Notice of Violation received from the Texas Commission on Environmental Quality ("TCEQ") for lead and copper reporting violations occurring between January and June, 2016, including additional, incurred cost for rental of a composite sampler. Following discussion, the Board requested TNG include in the monthly report a sheet tracking lead and copper sampling. Mr. Reno reported that TNG provided proof of an initial response to the TCEQ following the Notice of Violation and said that TNG is compiling sample information for the additional follow up required by the TCEQ.

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

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

AMEND RATE ORDER

The Board next considered amending the District's Rate Order to incorporate a form Wastewater Services Agreement as an exhibit and revised Exhibit D to include the Wastewater Services Agreement as a prerequisite for service, if applicable. Following review and discussion, Director Benoit moved to amend the District's Rate Order, as discussed. Director Darcy seconded the motion, which passed unanimously.

CONVEYANCES RELATED TO DISTRICT FACILITIES

The Board next discussed and considered accepting the following conveyances to the District:

1. CenterPoint Energy As-Built Easement for The Mark at CityPlace Springwoods Village Apartments, 1600 Springwoods Plaza Drive;
2. Water Meter Easement to serve Springwoods Village, Section 7, Spring Stuebner RRC I tract;
3. CenterPoint Gas As-Built Easement for Parcel TCE, including authorization for the President of the Board to execute and record documents necessary to effectuate the easement; and

4. Vacate Storm Easement for Parcel 13.

Following review and discussion, Director Rose moved to accept the instruments listed above. Director Mason seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

Mr. Walker reported regarding development in the District.

DISTRICT FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

The Board considered the following agreements and Ms. Humphries confirmed that disclosure compliance pursuant to House Bill 1295 was received for:

1. Agreements with AT&T, if applicable, for data line at District Facilities to support the Water Plant and Wastewater Treatment Plant, including authorization for the Board President to sign, if necessary;
2. Wastewater Services Agreement for Speedy Stop;
3. Jacobs Engineering Task Order No. 019-16-019; Construction Administration Services for Water System Interconnect;
4. Jones & Carter Task Order No. 021-16-022; Construction Management Services for Water System Interconnect;
5. Tolunay Wong Engineers Task Order No. 046-16-019; Materials Testing for Water System Interconnect;
6. CL Davis Task Order No. 008-16-032; Construction staking for Water System Interconnect;
7. CL Davis Task Order No. 008-16-033; Amendment of Landscape Easement at Springwoods Village Parkway and I-45;
8. CL Davis Task Order No. 008-16-034; Drainage survey update for East Mossy Oaks - Phase IV; and
9. C.L. Davis Task Order No. 008-16-035; Topographical Survey for CityPlace Park - Lower Plaza.

Following review and discussion, Director Benoit moved to approve the above task orders. The motion was seconded by Director Darcy and passed unanimously.

The Board next received a Statement of Qualifications for Halff Associates, Inc., a presentation from Mr. Lozano and commentary from Mr. Oradat regarding his experience prior to joining Jacobs.

Following review and discussion, Director Darcy moved to (1) authorize ABHR to send notice of termination to Jacobs Engineering General Engineering Consultation Services Task Order No. 019-16-013 to act as District engineer; and (2) approve a Professional Services Agreement with Halff Associates, Inc., including Halff Task Order No. 064-16-001; for General Engineering Consultation Services and act as District engineer. The motion was seconded by Director Rose and passed unanimously.

ENGINEERING MATTERS

Mr. Oradat reviewed a report regarding engineering projects in the District. A copy of the engineering report is attached.

Mr. Oradat first discussed the status of design of the following project and requested authorization to advertise for bids for construction of the following:

1. Pond 8 Jurisdictional Water Stabilization and Under brushing.

Mr. Oradat next reviewed bids for the Holzwarth Road Water Main Extension and Interconnect and recommended the Board award the contract to Wright Solutions, LLC, in the amount of \$74,920. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to Wright Solutions, LLC, subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Oradat next reviewed bids for installation of "Type K" signs in the District and recommended the Board award the contract to Ad Display Systems, Inc., in the amount of \$7,864. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to Ad Display Systems, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Oradat next reviewed bids for the Spring Grove Park Foot Bridge Crossing and recommended the Board award the contract to LN McKean, Inc., in the amount of \$34,500. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to LN McKean, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Oradat next reviewed bids for the Springwoods Village Pedestrian Trails from East Mossy Oaks to the Grand Parkway Bridge and recommended the Board

award the contract to Shooter & Lindsey, Inc., in the amount of \$61,892.80. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to Shooter & Lindsey, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Oradat next reviewed bids for installation of loop detectors on Lake Plaza Drive and recommended the Board award the contract to Third Coast Services, LLC, in the amount of \$9,982. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to Third Coast Services, LLC, subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

Mr. Oradat next reviewed bids for Springwoods Village Parkway Landscape Median Enhancements, Phase IA and recommended the Board award the contract to Shooter & Lindsey, Inc., in the amount of \$52,195.95. After review and discussion, because it would result in the best and most economical completion of the project and based upon the recommendation of J&C, Director Benoit moved to approve the award of the contract to Shooter & Lindsey, Inc., subject to verification of payment and performance bonds and insurance. Director Mason seconded the motion which passed unanimously.

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

1. Drainage Corridor 3 - Phase II (Spring Grove Park) (Jones & Carter/LN McKean):
 - a. Pay Estimate No. 6;
 - b. Change Order No. 2 (Fiber Conduit Extension; Time Extension);
2. Lift Station No. 3, Water Main & Utility Extension (Jones & Carter/Clearwater Utilities, Inc.):
 - a. Pay Estimate No. 6;
 - b. Change Order No. 3 (Time Extension);
3. Spring Stuebner Drainage and Detention Facility - Phase I (Jones & Carter/Reddico):
 - a. Pay Estimate No. 7;
 - b. Quantity Contract Adjustment No. 3 (Match Field Quantities);
4. Waste Water Treatment Plant - Phase II - 0.775 MGD to 1.50 MGD; (Jones & Carter/Pepper Lawson):

- a. Pay Estimate No. 14;
- 5. Water Plant No. 1 - Phase II (Jones & Carter/WW Payton):
 - a. Change Order No. 2 (Aerator Tower Equipment);
- 6. CityPlace Landscape Improvements - Phase I (Jacobs/Landscape Art):
 - a. Pay Estimate No. 2;
 - b. Quantity Contract Adjustments No. 1 (Pedestrian Light Base Modification);
- 7. Spring Stuebner RRC - I - Public Utilities and Improvements for 75 Acre Tract (Jones & Carter/Clearwater Utilities):
 - a. Pay Estimate No. 2 & Final and Certificate of Acceptance;
 - b. Quantity Contract Adjustment No. 2 (Match Field Quantities); and
- 8. Spring Stuebner RRCI - Spring Stuebner Road and Holzwarth Road Improvements (Jones & Carter/Lexton Construction):
 - a. Pay Estimate No. 4 and Final and Certificate of Acceptance.

Following discussion and review and based upon recommendation from the engineer, Director Benoit moved to (1) approve the engineering report from Jacobs; (2) authorize advertisement of the projects listed above; and (3) approve pay estimates, change orders and contract quantity adjustments listed above. Director Mason seconded the motion which passed unanimously.

MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, a copy of which is attached, and updated the Board regarding the performance of BrightView Landscapes, LLC.

Mr. Cooke next discussed estimates for installation of District signage and said the signage will be installed as part of the approved budget for MSA.

Following review and discussion, upon a motion by Director Benoit and a second by Director Rose, the Board voted unanimously to approve the management report, including pricing for installation of signage, as presented.

ATTORNEY'S REPORT

The Board concurred to meet on Wednesday, December 21, 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

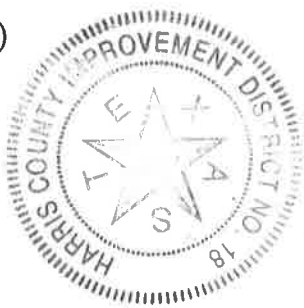
The Board determined it was not necessary to convene in Executive Session pursuant to Section 551.076.

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



Secretary, Board of Directors

(SEAL)



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