

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

February 22, 2017

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 22nd day of February, 2017, 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 Deden and Benoit, 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"); Natalie Galgano and Mark Burton of Municipal Accounts and Consulting, L.P.; Daniel Lozano of Halff Associates, Inc. ("Halff"); Phil Martin and Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Bill Walker and Joanne Stein of Springwoods Realty, Inc. ("SRI"); Martin Murdock with Jones & Carter, Inc. (J&C); Christy Wussow of ExxonMobil Corporation ("ExxonMobil"); Captain Ronnie Glaze of Harris County Constable, Precinct 1; Mary Jew, Harper Woods resident; Loretta Malander, Audubon Grove resident; Jan Bartholomew and Stephen Eustis of Robert W. Baird & Co. Incorporated; and Anne Stanford and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

The Board reviewed a security patrol report for February, 2017 and discussed a recent community security meeting with Audubon Grove homeowners. A copy of the patrol report is attached.

PUBLIC COMMENT

Ms. Malander discussed privacy concerns of certain residents in Audubon Grove related to the construction of the Nature Preserve Trails, Phase I and the proximity of trail alignment to certain homes within Audubon Grove. She said that Taylor Morrison

disclosed a different trail alignment/public space use plan to potential homebuyers and said that lots backing up to the Nature Preserve would remain private. Copies of the documents provided to homebuyers in Audubon Grove, as represented by Ms. Malander and homeowner, Joe Agrella, are attached. Ms. Malander requested that the Board place construction on hold and consider an alternate trail alignment moving the trail further away from the rear lots of Audubon Grove homeowners. Ms. Malander also requested a sidewalk along Blue Heron Run and discussed safety concerns where sidewalk is interrupted in front of ongoing construction at the CVS Pharmacy location, and bicycle and pedestrian traffic are diverted to Springwoods Village Parkway. Ms. Malander also reported that traffic lights at Springwoods Village Parkway and Holzwarth Road are not synchronized.

Ms. Jew deferred making comment regarding the master meter issue.

SERIES 2017 ROAD BONDS

Mr. Eustis reviewed bids received for the sale of the District's \$15,000,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2017, and stated that the low bidder was Bank of America with a net effective interest rate of 3.697968%.

Ms. Stanford reviewed a Resolution Authorizing the Issuance of the District's \$15,000,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2017.

Ms. Stanford then reviewed a Paying Agent/Registrar Agreement.

The Board next considered approving an Official Statement for the District's \$15,000,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2017. Mr. Eustis reported that the Preliminary Official Statement previously approved will be updated to reflect pricing information on the bonds.

Ms. Stanford reviewed various documents relating to the bond sales, attached, and asked the Board to authorize the attorney and the financial advisor to take all necessary steps to deliver the bonds to the purchaser.

The Board next reviewed a Certificate Regarding Provision of Financial Advice confirming that the Board has relied solely upon the advice of Robert W. Baird & Co. concerning the issuance of the Bonds and investments of proceeds of the Bonds.

Following review and discussion, Director Rose moved that the Board (1) award the sale of the District's \$15,000,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2017 to Bank of America; (2) adopt a Resolution Authorizing the Issuance of the District's \$15,000,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2017; (3) authorize execution of the Paying Agent/Registrar Agreement with Amegy Bank National Association; (4) approve the Official Statement; (5) authorize the Board of Directors to sign the bond documents and authorize the attorney and financial advisor

to take all necessary steps to deliver the bonds to the purchaser; and (6) approve the Certificate Regarding Provision of Financial Advice. Director Darcy seconded the motion, which passed unanimously.

CONSENT AGENDA

Director Mason offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Darcy moved to approve all items on the consent agenda, with the exception of item d. Director Rose seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

Mr. Burton discussed amending the District's Retail Electricity Services Annex Agreement with the Texas General Land Office ("Texas GLO") to extend the District's current electricity contract and reviewed projected contract renewal pricing, a copy of which is attached. Following review and discussion, Director Rose moved to authorize amendment of the District's current contract with the Texas GLO and to authorize signature upon documents extending the District's current pricing term up to 4 years, subject to the savings parameters discussed by the Board. The motion was seconded by Director Darcy and passed unanimously.

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; and (2) pay the bills presented for payment from the tax account. Director Rose seconded the motion, which carried unanimously. A copy of the tax assessor/collector's 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. Following discussion and review, Director Rose made a motion to (1) approve the bookkeeper's report; and (2) approve payment of the bills presented. The motion was seconded by Director Darcy 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 schedules and a summary of operating charges for the month. Mr. Reno updated the Board regarding water sampling at District wells and said copper levels were significantly under allowable levels for potable water. He also discussed decommissioning of the retired wastewater treatment package plant (the "package plant"), excluding equipment removed from the package plant and reused in the permanent wastewater treatment plant. The Board requested an agenda item at the March meeting to discuss sale of surplus property and requested that TNG bring information regarding the value of equipment removed from the package plant and reused at the permanent wastewater treatment plant..

Following review and discussion, Director Mason 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.

CONVEYANCES RELATING TO DISTRICT FACILITIES

Ms. Stanford discussed a Special Warranty Deed for conveyance of CityPlace Park (Lower Plaza) from Springwoods Realty, Inc. and requested that the Board authorize Director Deden to accept and execute the Special Warranty Deed, subject to receipt of title reports and Phase I environmental reports that are acceptable to the District. Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to authorize Director Deden to accept and execute a Special Warranty Deed for CityPlace Park (lower plaza) from Springwoods Realty, Inc., subject to receipt of title and environmental reports that are acceptable to the District.

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. Stanford confirmed that disclosure compliance pursuant to House Bill 1295 was received for:

1. Clark Condon Task Order No. 012-17-003; design services for Springwoods Village Parkway Landscape Median Enhancements - Phase II;
2. C.L. Davis Task Order No. 008-17-004; construction staking services for CityPlace Roadways -Phase I;
3. C.L. Davis Task Order No. 008-17-005; land conveyance documents for CityPlace Park (Lower Plaza);
4. C.L. Davis Task Order No. 008-17-006; as built survey for Spring Stuebner Drainage & Detention Facility - Phase I;
5. Jones & Carter Task Order No. 021-17-009; construction management services for Nature Preserve Playground;
6. Jones & Carter Task Order No. 021-17-010; construction management services for CityPlace Roadways - Phase I;
7. Jones & Carter Task Order No. 021-17-011; construction management services for CityPlace Landscape Improvements - Phase I;
8. Jones & Carter Task Order No. 021-17-012; bidding services for Spring Grove Park Enhancements;
9. Tolunay-Wong Engineers Task Order No. 046-17-006; construction material testing services for CityPlace Roadways - Phase I;
10. Tolunay-Wong Engineers Task Order No. 046-17-007; additional construction material testing services for Wastewater Treatment Plant - Phase II;
11. Tolunay-Wong Engineers Task Order No. 046-17-008; geotechnical testing for Spring Stuebner Drainage & Detention Facility - Phase II;
12. Termination of Jacobs Engineering Task Order No. 019-16-014; construction management services for CityPlace Landscape Improvements - Phase I;
13. Termination of Jacobs Engineering Task Order No. 019-16-016; design services for CityPlace Park (Lower Plaza);
14. Halff Associates Task Order No. 64-17-004; construction administration services for CityPlace Roadways - Phase I;
15. Halff Associates Task Order No. 064-17-004; design services for CityPlace Park (Lower Plaza);
16. Halff Associates Task Order No. 064-17-005; design services for Spring Stuebner Drainage & Detention Facility - Phase II;
17. Halff Associates Task Order No. 064-17-006; design services for utility infrastructure extensions on Holzwarth Road;

18. Office of James Burnett Task Order No. 043-17-004; construction administration services for CityPlace Roadways - Phase I;
19. Office of James Burnett Task Order No. 043-17-005; additional design services for CityPlace Park (Lower Plaza);
20. Paul E. Allen Company, Inc. for site furnishings within the Nature Preserve; and
21. LN McKean Task Order No. 22-17-005; handrails at Drainage Corridor No. 3.

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

The Board took no action on the following:

1. Jacobs Engineering Task Order No. 019-17-001; and
2. Binkley & Barfield, Inc. Task Order No. 063-17-002; design services for CityPlace Park (Lower Plaza).

DEVELOPER FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

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

1. Jones & Carter Task Order No. 021-17-013; bidding services for East Mossy Oaks Road - Phase IV;
2. Jones & Carter Task Order No. 021-17-014; construction management services for Spring Stuebner RRC I - Spring Stuebner Road and Holzwarth Road Public Landscape Improvements;
3. Jones & Carter Task Order No. 021-17-015; additional bidding services for Spring Stuebner RRC I - Spring Stuebner Road and Holzwarth Road Public Landscape Improvements;
4. C.L. Davis Task Order No. 008-17-007; construction staking services for Spring Stuebner RRC I - Spring Stuebner Road and Holzwarth Road Public Landscape Improvements;
5. Tolunay-Wong Engineers Task Order No. 046-17-009; construction material testing services for Spring Stuebner RRC I - Spring Stuebner Road and Holzwarth Road Public Landscape Improvements; and
6. Kimley-Horn Associates 062-17-001; additional design services for Spring Stuebner RRC I - Spring Stuebner Road and Holzwarth Road Public Landscape Improvements.

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

ENGINEERING MATTERS

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

Mr. Lozano first reported the status of design of East Mossy Oaks, Phase IV and requested authorization to advertise for bids for construction of same.

Mr. Lozano reviewed bids for Spring Stuebner Road and Holzwarth Road Public Landscape Improvements and recommended the Board award the contract to Texas Wall and Landscape, LLC, in the amount of \$857,571.98. 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 Darcy moved to approve the award of the contract to Texas Wall and Landscape, LLC, subject to verification of payment and performance bonds and insurance. Director Rose seconded the motion which passed unanimously.

Mr. Lozano reviewed bids for CityPlace Roadways, Phase I, Lake Plaza Drive, Phase I, City Plaza Drive, Phase I, and Spring Pine Forest Drive, Phase I and recommended the Board award the contract to James Construction Group, LLC, in the amount of \$2,353,997.90. 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 Darcy moved to approve the award of the contract to James Construction Group, LLC, subject to verification of payment and performance bonds and insurance. Director Rose seconded the motion which passed unanimously.

Mr. Lozano reviewed bids for construction of the Nature Preserve Playground and recommended the Board award the contract to Brightview Landscape Development, in the amount of \$177,401.52. 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 Darcy moved to approve the award of the contract to Brightview Landscape Development, subject to verification of payment and performance bonds and insurance. Director Rose seconded the motion which passed unanimously.

Mr. Lozano reviewed bids for Pedestrian Trails within the Nature Preserve and recommended that the Board reject the bids and requested authorization to re-advertise for bids for construction.

Mr. Lozano reviewed bids for playground equipment within the Nature Preserve and recommended the Board award the contract to Landscape Structures, Inc. in the amount of \$127,623. After review and discussion, because it would result in the best and most economical completion of the project and based upon confirmation of pricing pursuant to the District's cooperative purchasing agreement with HGACBuy, Director Darcy moved to approve the award of the contract to Landscape Structures, Inc., subject to verification of payment and performance bonds and insurance. Director Rose seconded the motion which passed unanimously.

Mr. Lozano reviewed bids for ductbank extension within Drainage Corridor No. 3 and recommended the Board award the contract to MP Technologies, in the amount of \$24,690. 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 Darcy moved to approve the award of the contract to MP Technologies, subject to verification of payment and performance bonds and insurance. Director Rose seconded the motion which passed unanimously.

Mr. Lozano 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. 9;
 - b. Quantity Contract Adjustment No. 3 (Match Field Quantities);
 - c. Change Order No. 4 (Underdrain System at Pedestrian Crossing);
2. Spring Stuebner Drainage and Detention Facility - Phase I (Jones & Carter/Reddico);
 - a. Pay Estimate No. 9;
3. CityPlace Landscape Improvements - Phase I (Jacobs/Landscape Art);
 - a. Pay Estimate No. 5;
 - b. Quantity Contract Adjustment No. 2 (Concrete Paving Adjustments); and
4. Waste Water Treatment Plant - Phase II - 0.775 MGD to 1.50 MGD; (Jones & Carter/Pepper Lawson);
 - a. Pay Estimate No. 17.

Mr. Lozano updated the Board regarding ongoing meetings with representatives of ExxonMobil to discuss internal private ExxonMobil water and wastewater facilities and their internal water and wastewater operational processes and procedures, including sampling methodologies.

Following discussion and review, and based upon recommendation from the District engineer and J&C, Director Darcy moved to (1) approve the engineering report from Halff; (2) authorize the District engineer to advertise for bids for construction of East Mossy Oaks, Phase IV; and (3) approve pay estimates, quantity adjustments and change order listed above. Director Rose seconded the motion which passed unanimously.

MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, a copy of which is attached, updated the Board regarding the performance of BrightView Landscapes, LLC ("BrightView") and recommended the Board terminate the District's Service Agreement with Brightview.

Mr. Cooke next reviewed proposals from Shooter & Lindsey and Native Land Design for landscape maintenance and recommended the Board enter into Service Agreements with each for landscape maintenance in Landscape Maintenance Areas 1 and 2.

Mr. Cooke reported an interim repair to the sidewalk in front of CVS Pharmacy and said the sidewalk will be restored following completion of site construction.

Discussion ensued regarding the alignment and contracts pending for the Nature Preserve Trails, Phase I and the Board concurred to exercise the full option to delay start of construction pursuant to the contract. Director Darcy requested that consultants provide information regarding alignment options at the March Board meeting for Board consideration, but noted that she had concerns about setting a precedent, as one of the key components in the original design concept for the community/District, as a whole, was walkability. She noted that original plans for Audubon Grove included the current trail alignment proposed and that Taylor Morrison was aware of and involved in establishing this alignment. Following review and discussion, Director Darcy moved to suspend the contract for 60 days, in accordance with the contract terms. The motion was seconded by Director Rose and pass unanimously.

Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to (1) terminate the District's Service Agreement with Brightview; and (2) approve Service Agreements for landscape maintenance with Native Land Design and Shooter & Lindsey.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

At 12:54 p.m. the Board, convened in Executive Session, along with representatives from ABHR, to conduct a private consultation with the District's attorney to discuss the status of the Hassell Construction matter. Director Rose left the meeting before and was not present during the Executive Session. Ms. Stanford and Ms. Miller were also present during executive session.

RECONVENE IN OPEN SESSION

At 1:05 p.m. the Board reconvened in open session.

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



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Secretary, Board of Directors

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