

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

January 24, 2018

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 January, 2018, 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 Darcy, thus constituting a quorum.

Also present at the meeting were Jan Bartholomew and Stephen Eustis of Robert W. Baird & Co. Incorporated; Loretta Malander, Mark Malander and Joseph Agrella, District residents; David Patterson of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno of TNG Utility Corp. ("TNG"); Martin Murdock of Jones & Carter, Inc.; Captain Ronnie Glaze of Harris County Constable, Precinct 4; Mark Burton of Municipal Accounts and Consulting, L.P.; Kathryn Foss of Municipal Financial Services; Daniel Lozano of Halff Associates, Inc. ("Halff"); Nick Cooke and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Warren Wilson, Joanne Willenbacher, Clayton Benedict and Bill Walker of Springwoods Realty, Inc. ("SRI"); Nick Lammayot and Eldon Andrus of ExxonMobil Corporation ("ExxonMobil"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

Captain Glaze updated the Board regarding District patrol and current security issues.

PUBLIC COMMENT

The Board congratulated Mr. Malander on his recent retirement from ExxonMobil Corporation.

Mr. Agrella asked why some of the fire hydrants were not painted during recent maintenance. He also said residents in Audubon Grove remain concerned regarding lack of fencing around the Nature Preserve playground and are interested something more permanent than the proposed vegetative barrier. Mr. Agrella also asked that the Board reconsider adding a non-voting member to the Board of Directors, preferably a taxpayer in the District.

Ms. Malander thanked the Board for constructing and opening the dog park.

CONSENT AGENDA

Director Deden offered Board members the opportunity to remove items from the consent agenda for individual discussion. Director Rose moved to approve all items on the consent agenda. Director Mason seconded the motion, which passed unanimously. Copies of all documents approved as part of the consent agenda are attached.

ITEMS REMOVED FROM CONSENT AGENDA

There was no discussion for this agenda item.

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 2017 taxes, certified values to date for 2017, certified values to date for 2017, delinquent taxes, hotel occupancy taxes received to date and appraisal. After review and discussion, Director Mason 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 Mason 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, facility repairs in progress and permitting, storm preparation and reviewed a summary of operating charges for the month.

Mr. Reno reported damage to the District water plant as a result of recent vandalism and theft. He said an incident was filed with the Harris County Constable, Precinct 4 and the loss was reported to the District's insurance carrier. Captain Glaze confirmed that patrol hours and patterns have been adjusted to increase officer presence and visibility in the area. Mr. Reno said the emergency interconnect between the District and Meadowhill Municipal Utility District ("Meadowhill") was opened during the repair of plant damage, but said that a valve continued to leak for 3 or 4 days after the interconnect was closed. Mr. Reno said he is working with Meadowhill's operator to fully account for all water that passed through the meter.

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.

DEVELOPER FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

There was no discussion for this agenda item.

DISTRICT FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

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

1. Master Services Agreement for Third Coast;
2. Halff Associates Task Order No. 064-18-005; General Electrical Engineering Services for 2018;
3. Halff Associates Task Order No. 064-18-006; Construction Administration Services for CityPlace Park (Lower Plaza);
4. Office of James Burnett Task Order No. 043-18-003 - Construction Administration Services for CityPlace Park (Lower Plaza);

5. C.L. Davis Task Order No. 008-18-003; Construction Staking Services for CityPlace Park (Lower Plaza);
6. C.L. Davis Task Order No. 008-18-004; Work Easements for CityPlace Landscape Improvements - Phase II;
7. Jones & Carter Task Order No. 021-18-006; Construction Management Services for CityPlace Park (Lower Plaza); and
8. Tolunay Wong Engineers Task Order No. 046-18-003; Construction Materials Testing Services for CityPlace Park (Lower Plaza).

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

CONVEYANCES

The Board next considered approving the following conveyances:

1. Work Easements for CityPlace Landscape Improvements - Phase II; and
2. Unobstructed Visibility Easement along Energy Drive.

Following review and discussion, upon a motion by Director Rose and a second by Director Mason, the Board voted unanimously to approve the conveyances, as recommended.

ENGINEERING MATTERS

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

Mr. Lozano reviewed bids for CityPlace Park Lower Plaza and, based upon the recommendation of J&C, recommended the Board award the contract to Texas Wall Landscape, LLC, in the amount of \$1,195,192.

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. Spring Grove Park Enhancements (Jones & Carter/ECB Development);
 - a. Pay Estimate No. 6;
 - b. Quantity Contract Adjustment No. 2 (December quantity adjustment);
2. CityPlace Roadways - Phase I (Jones & Carter/James Construction Group);
 - a. Pay Estimate No. 9;

- b. Change Order No. 5 (Streetlight Foundations, Pavement Markings, Signage, Pavement Tie In);
 - c. Quantity Contract Adjustment No. 7 (Final quantity adjustment);
- 3. East Mossy Oaks Road - Phase IV (Jones & Carter/Triple B);
 - a. Pay Estimate No. 8;
 - b. Quantity Contract Adjustment No. 4 (December quantity adjustments);
- 4. CityPlace Pond 8 Extension (Jones & Carter/ Shooter & Lindsey);
 - a. Pay Estimate No. 2 & Final; and
 - b. Quantity Contract Adjustment No. 1 (Final quantity adjustment).

The Board determined that the change orders presented above are beneficial to the District.

Mr. Lozano also recommended that the Board approve a commitment of water and sewer capacity to the CityPlace Owner's Association to serve a 2,500 square foot restaurant on 0.99 acres, subject to receipt of the \$2,500 utility commitment letter pursuant to the District's Rate Order.

Following discussion and review, and based upon recommendation from the District engineer and J&C, Director Mason moved to (1) approve the engineering report from Half; (2) award a contract for CityPlace Park Lower Plaza, upon the recommendation of J&C, to Texas Wall Landscape, LLC, in the amount of \$1,952,192; (3) approve pay estimates and quantity adjustments listed above; (5) approve the Change Orders listed and as discussed above, based upon the Board's finding that the Change Orders are beneficial to the District and the engineer's recommendation; and (6) approve a commitment of water/sewer capacity to CityPlace Owner's Association, as discussed. Director Rose seconded the motion which passed unanimously.

MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, and updated the Board regarding insurance claims and application for reimbursement filed with the Federal Emergency Management Agency ("FEMA"), back charges, public inquiries through the District website and District website traffic, upcoming community events and preparation for same and the status of post-Harvey District property/facility repairs.

In response to Mr. Agrella's inquiry regarding painting of fire hydrants, Mr. Cooke said application of the industrial coating on District fire hydrants cannot be applied during cold weather, but will be completed, as weather permits, by the end of February, 2018.

Mr. Cooke next reviewed a proposal from Saville Electric in the amount of \$24,000 for maintenance and modification of lighting at monument no. 1.

Following review and discussion, upon a motion by Director Mason and a second by Director Rose, the Board voted unanimously to (1) approve the management report; and (2) upon the recommendation of MSA, award a contract in the amount of \$24,000 to Saville Electric for maintenance and modification of lighting at monument no. 1.

EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE

At 12:38 p.m. the Board, convened in Executive Session, along with representatives from ABHR, to deliberate the deployment, or specific occasions for implementation of security personnel or devices.

RECONVENE IN OPEN SESSION

At 1:00 p.m. the Board reconvened in open session. Following discussion in executive session, the Board concurred to authorize Director Mason to work on a security committee and take whatever action necessary between meetings to reduce the possibility of recurring thefts and other illegal action at District facilities.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Rose left the meeting before and was not present during the second Executive Session.

At 1:01 p.m. the remaining Board members, along with ABHR, convened in Executive Session, to conduct a private consultation with the District's attorney to discuss the status of the Hassell Construction matter.

RECONVENE IN OPEN SESSION

At 1:18 p.m. the Board reconvened in open session.

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

(SEAL)



Alice Darcy
Secretary, Board of Directors

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