

MINUTES  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

March 28, 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 28<sup>th</sup> day of March, 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 Mason and Benoit, thus constituting a quorum.

Also present at the meeting were Jan Bartholomew of Robert W. Baird & Co. Incorporated; John Kalusa, District resident; David Patterson of Assessments of the Southwest, Inc. ("ASW"); J.C. Reno of TNG Utility Corp. ("TNG"); Martin Murdock of Jones & Carter, Inc.; Mark Burton of Municipal Accounts and Consulting, L.P.; Chris O'Shea of Halff Associates, Inc. ("Halff"); Nick Cooke and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Warren Wilson, Joanne Willenbacher, Clayton Benedict, Kevin Gregory and Bill Walker of Springwoods Realty, Inc. ("SRI"); Nick Lammayot and Sheldon Andrus of ExxonMobil Corporation ("ExxonMobil"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

No report was given. The Board concurred to defer further discussion regarding security until convening in executive session.

PUBLIC COMMENT

Mr. Kalusa commented regarding a desire for a lower tax rate and a homestead exemptions and requested that an email from another District resident not present be attached to the minutes.

## 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 Darcy 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 needed 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 Rose moved to (1) approve the tax assessor/collector's report; and (2) pay the bills presented for payment from the tax account. Director Darcy seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Bartholomew presented and reviewed a memorandum regarding the optional exemptions available to the District and discussed financial and tax plans for the future. Discussion ensued regarding focusing effort on reducing the overall tax rate to all property owners in the District and not only homeowners. Ms. Humphries presented and reviewed a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Darcy move to approve a Resolution Concerning Exemptions from Taxation, rejecting all exemptions. Director Rose moved to second the motion, which passed unanimously.

## 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. In response to email correspondence presented by Mr. Kalusa, Mr. Burton noted the approved budget for the fiscal year ending December 31, 2018 is higher due to the inclusion of one time capital costs added following the budget workshops that will be paid from operating surplus in lieu of issuing debt to pay for the improvements.

Following discussion and review, Director Darcy made a motion to (1) approve the bookkeeper's report; (2) approve payment of the bills presented; and (3) authorize reimbursement in the amount of \$79,900 to Springwoods Realty, Inc. for construction/installation of major underground electrical facilities to house and extend electrical service to recreational facilities, including amenity lighting and irrigation on East Mossy Oaks Road. The motion was seconded by Director Rose 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 and reviewed a summary of operating charges for the month.

Mr. Reno said TNG and the District engineer reviewed the District's Emergency Preparedness Plan ("EPP") and said neither TNG nor Halff is recommending any changes to the EPP at this time.

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

#### TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

#### DISTRICT FUNDED TASK ORDERS, ADDITIONAL SERVICE AUTHORIZATIONS, PROPOSALS

The Board considered approving C.L. Davis Task Order No. 008-18-008 for an access/construction easement for CityPlace Park Bridges. Following review and discussion, Director Rose moved to approve the task order. The motion was seconded by Director Darcy and passed unanimously.

#### CONVEYANCES

The Board next considered approving an access/construction easement for CityPlace Park Bridges. Ms. Humphries requested the Board authorize the President to execute the easement upon completion of the metes and bounds description. Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to approve the conveyance, as recommended.

## ENGINEERING MATTERS

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

Mr. O'Shea reported the status of the following construction projects and recommended approval of associated pay estimates listed below:

1. Median Lighting Extensions (Jones & Carter/McDonald Municipal & Industrial);
  - a. Pay Estimate No. 1;
2. Nature Preserve Playground (Jones & Carter/Brightview Landscape);
  - a. Pay Estimate No. 7 & Final;
3. Springwoods Village Median Enhancements - Phase II (Jones & Carter/Earth First Landscape);
  - a. Pay Estimate No. 6 & Final; and
4. CityPlace Landscape Improvements - Phase II (Jones & Carter/Shooter & Lindsey);
  - a. Pay Estimate No. 2.

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 Half; and (2) approve pay estimates, based upon the engineer's recommendation. 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 and public inquiries through the District website. Mr. Cooke also updated the Board regarding the District's application for Federal Emergency Management Agency ("FEMA") funding to reimburse the District for damage to District facilities during Hurricane Harvey.

Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to (1) approve the management report; and (2) authorize execution of a FEMA Grant Terms and Conditions form.

## EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE

At 12:35 p.m. the Board, convened in Executive Session to deliberate the deployment, or specific occasions for implementation of security personnel or devices. ABHR, Half and MSA were also present during Executive Session.

RECONVENE IN OPEN SESSION

At 12:54 p.m., the Board reconvened in open session. Following discussion in executive session, Director Darcy moved to (1) authorize Director Deden to execute a contract with ADT, as discussed in executive session, or alternatively, to work with District consultants to negotiate a contract with a different vendor, if necessary; and (2) authorize MSA to send a letter, on behalf of the Board, to Captain Glaze, as discussed in executive session.

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.

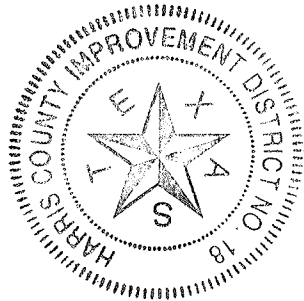
At 1:02 p.m. the remaining Board members, along with ABHR, convened in Executive Session, to conduct a private consultation with the District's attorney to discuss the status of the Hassell Construction matter.

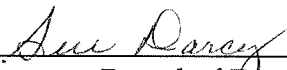
RECONVENE IN OPEN SESSION

At 1:06 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)



  
Secretary, Board of Directors

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