

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

July 25, 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 25th day of July, 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 Captain Ronnie Glaze of Harris County Constable, Precinct 4; Stephen Eustis of Robert W. Baird & Co. Incorporated; Joe Agrella, District resident; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Nick Lammayot and Eldon Andrus of ExxonMobil Corporation ("ExxonMobil"); J.C. Reno and Phillip Dautrich of TNG Utility Corp. ("TNG"); Mark Burton of Municipal Accounts and Consulting, L.P.; Daniel Lozano of Halff Associates, Inc. ("Halff"); Nick Cooke and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Joanne Willenbacher, Clayton Benedict and Bill Walker of Springwoods Realty, Inc. ("SRI"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

Captain Glaze updated the Board regarding patrol and security in the District.

PUBLIC COMMENT

Mr. Agrella commented regarding his previous verbal request for a copy of the District's general ledger and noted an objection to any portion being withheld as "work product." He stated he was told to release such papers would require the District request an opinion or permission from the Attorney General, which he did not understand nor agree with. He also restated his prior comments that the Board reduce tax rates later this year and appoint a resident to the Board or as a non-voting member.

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 and hotel occupancy taxes received to date and appraisal. Mr. Patterson also reviewed a list of litigated values pending and discussed potential large adjustments to assessed values under protest with HCAD, possible subsequent refunds and the impact upon the District's budget. 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. Director Deden noted that reimbursement to the developer reflected in the bookkeeping report made with funds received from Harris County pursuant to the District's 381 Agreement reduce the tax rate that would have to be levied if the District had to sell bonds to finance the infrastructure funded using the Chapter 381 money. He said the agreement was an effort by the Board to keep District taxes as low as possible. 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.

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. The Board requested that TNG modify the operator's report to separate reporting of and expenses for improvements versus actual repairs. Director Deden stated he is working with TNG on the accountability of surface water expenses vs. revenues. He added he is working with TNG, ABHR and the bookkeeper to clarify the report on surface water fees paid to the North Harris County Regional Water Authority and surface water fees billed to the District's customers to specifically include the unreimbursed amount the District pays related to park and facility maintenance. 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.

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. Drainage Corridor 3 Pedestrian Tunnel Lighting;
2. CL Davis Task Order No. 008-18-013; Platting for CityPlace Roadways - Phase III; and
3. Order Agreement with Ricoh USA, Inc.

Director Deden commented light were being installed in the pedestrian tunnel for safety lighting. Following review and discussion, Director Rose moved to approve the above agreements and task orders. The motion was seconded by Director Darcy and passed unanimously.

DEEDS AND EASEMENTS

The Board next considered approving a Temporary Access and Construction Easement (CityPlace Park Bridges). 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. Lozano reviewed a report regarding engineering projects in the District. A copy of the engineering report is attached.

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

1. CityPlace Park (Lower Plaza) (Jones & Carter/Texas Wall & Landscape;
 - a. Pay Estimate No. 4;
 - b. Change Order No. 3 (Grout Infill for Ipe Deck Foundation);
2. CityPlace Park Bridges (Jones & Carter/MoBill Contractors);
 - a. Pay Estimate No. 1;
 - b. Change Order No. 1 (Contract Duration Adjustments);
3. Median Lighting Extensions (Jones & Carter/McDonald Municipal & Industrial);
 - a. Pay Estimate No. 4; and
4. CityPlace Landscape Improvements - Phase II (Jones & Carter/Shooter & Lindsey);
 - a. Pay Estimate No. 6;
 - b. Quantity Contract Adjustment No. 2 (Match Field Quantities).

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

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) approve pay estimates, based upon the engineer's recommendation; and (3) 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. Director Rose seconded the motion which passed unanimously.

MANAGEMENT REPORT

Mr. Cooke reviewed a management report from MSA, a copy of which is attached. Following review and discussion, upon a motion by Director Darcy and a second by Director Rose, the Board voted unanimously to approve the management report.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board determined no executive session was necessary.

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

Al L. Rose
Ass't Secretary, Board of Directors

(SEAL)



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