

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

December 18, 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 18th day of December, 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 Director Benoit, thus constituting a quorum.

Also present at the meeting were Stephen Eustis of Robert W. Baird & Co. Incorporated; Rhonda Patterson of Assessments of the Southwest, Inc. ("ASW"); Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); Phillip Dautrich, David Wright and Mario Garcia of TNG Utility Corp. ("TNG"); Mark Burton of Municipal Accounts and Consulting, L.P.; Daniel Lozano of Halff Associates, Inc. ("Halff"); Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Mark McGrath of McGrath & Co., PLLC; Martin Murdock of Jones & Carter, Inc.; Captain Ronnie Glaze of Montgomery County Constable, Precinct 3; Bill Walker, Joanne Willenbacher and Warren Wilson of Springwoods Realty, Inc. ("SRI"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

Director Deden 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, except item 3(b). 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

Mr. McGrath discussed preparation of the audit for the fiscal year ending December 31, 2018 and presented an engagement letter with McGrath & Co., PLLC. Following discussion and review, Director Darcy moved to approve an engagement letter with McGrath & Co., PLLC to prepare the District's audit for the fiscal year ending December 31, 2018. Director Rose seconded the motion, and it carried by unanimous vote.

TAX ASSESSMENT AND COLLECTIONS MATTERS, INCLUDING COLLECTION OF DELINQUENT TAXES

Ms. Patterson reviewed the tax assessor/collector's report. She reported on collection of the 2018 taxes and delinquent taxes.

Ms. Humphries stated that state law requires the District to file with the Texas State Comptroller an annual report on the District's hotel tax rate, total hotel tax receipts collected during the previous reporting year and amounts allocated during the previous reporting year. She requested Board authorization to file the report with the Texas State Comptroller when the reporting period opens on January 1, 2019.

After review and discussion, Director Rose moved to (1) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) authorize ABHR to file the District's report with the Texas State Comptroller in January, 2019. Director Darcy 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.

Mr. Burton next reviewed a draft budget for the fiscal year ending December 31, 2019.

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) adopt the budget for the fiscal year ending December 31, 2019. The motion was seconded by Director Rose and passed unanimously.

REPORT ON SECURITY

Captain Glaze reported regarding District patrol and security initiatives.

OPERATION OF DISTRICT BILLINGS, REPAIRS AND MAINTENANCE

Mr. Dautrich introduced himself and Mr. Garcia and stated, due to the departure of J.C. Reno, he and Mr. Garcia would be the new operation team assigned to the District. He then reviewed TNG's monthly operations and maintenance report, a copy of which is attached, including an update regarding water accountability, back charges for damage to District facilities, consumption totals, billing and collections, water production, compliance schedules, facility repairs in progress, security equipment at District facilities and permitting and reviewed a summary of operating charges for the month. Following review and discussion, Director Darcy moved to approve the operator's report. Director Mason seconded the motion, which passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

No accounts were presented for termination.

ANNUAL DEVELOPMENT 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. Security Services Contract (Terry Fentress);
2. C.L. Davis Task Order No. 008-19-001; General Field Land Surveying Services for 2019;
3. Halff Associates Task Order No. 064-19-001; District Engineering Services for 2019;
4. Halff Associates Task Order No. 064-19-002; Storm Water Quality Permitting Services for 2019;
5. Jones & Carter Task Order No. 021-19-001; General Construction Management & Inspection Services for 2019;
6. Jones & Carter Task Order No. 021-19-002; Storm Water Maintenance Inspection Services for 2019;
7. Berg Oliver Associates Task Order No. 004-19-001; General Administrative Services for 2019;
8. The Broadband Group Task Order No. 041-19-001; Telecommunications Infrastructure and Technology Planning Services for 2019;
9. Mike Stone & Associates Task Order No. 028-19-001; District Management Services for 2019;

10. Tolunay Wong Engineers Task Order No. 046-19-001; Construction Materials Testing Services for 2019; and
11. DCS Engineering Task Order No. 051-19-001; General Water & Sanitary Engineering Consulting Services for 2019.

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

DEEDS AND EASEMENTS

The Board next considered approving Abandonment of Storm Sewer Easement (20130150914). Following review and discussion, upon a motion by Director Rose and a second by Director Darcy, the Board voted unanimously to approve the conveyances.

ENGINEERING MATTERS

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

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

1. CityPlace Landscape Improvements - Phase III; and
2. CityPlace Park Pond 4 Detention.

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. 9;
 - b. Change Order No. 5 (Zoysia, Ligustrum, Promenade Well Modifications);
 - c. Quantity Contract Adjustment No. 4 (Match Field Quantities);
2. CityPlace Park Bridges (Jones & Carter/MoBill Contractors);
 - a. Pay Estimate No. 6;
3. CityPlace Landscape Improvements - Phase II (Jones & Carter/Shooter & Lindsey);
 - a. Pay Estimate No. 11;
 - b. Change Order No. 5 (Spare Materials, Electrical Items, Unit Pavers);
 - c. Quantity Contract Adjustment No. 6 (Match Field Quantities);
4. Pedestrian Trails - Nature Preserve Extension (Jones & Carter/Teamwork Construction Services);

- a. Pay Estimate No. 3 & Final;
5. Median Lighting Extension (Jones & Carter/ McDonald Municipal & Industrial);
 - a. Pay Estimate No. 7 & Final;
 - b. Change Order No. 1 (Modify Existing Conduit and Start Up Lights along East Mossy Oaks Road);
 - c. Quantity Contract Adjustment No. 1 (Match Field Quantities);
6. CityPlace Roadways - Phase I (Jones & Carter/James Construction LLC);
 - a. Pay Estimate No. 11 & Final; and
 - b. Quantity Contract Adjustment No. 8 (Match Field Quantities).

Based upon the recommendation of Mr. Lozano, 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) authorize advertisement for bids for construction for projects listed above, based upon the engineer's recommendation; (3) approve pay estimates, based upon the engineer's recommendation; and (4) approve Change Orders listed and 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.

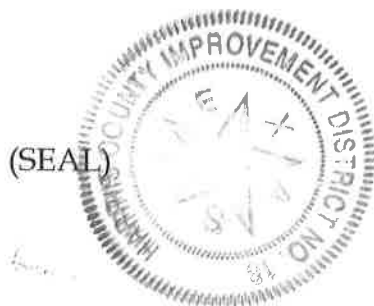
MANAGEMENT REPORT


Mr. Cooke reviewed a management report from MSA, a copy of which is attached.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in executive session.

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




Secretary, Board of Directors

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