

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 18

April 24, 2019

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 April, 2019, 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 Joe Agrella, District resident; Jan Bartholomew of Robert W. Baird & Co. Incorporated; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Nick Lammayot of ExxonMobil Corporation ("ExxonMobil"); Phillip Dautrich 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 and Jacob Bilbo of Mike Stone Associates, Inc. ("MSA"); Matthew May of Best Trash, LLC; Martin Murdock of Jones & Carter, Inc.; Alicia Wade of Ward Communications; Mark McGrath of McGrath & Co., PLLC; Captain Ronnie Glaze of the Montgomery County Constable's Office, Precinct 3; Joanne Willenbacher and Bill Walker of Springwoods Realty, Inc. ("SRI"); and Lynne Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

REPORT ON SECURITY

The Board received an update regarding patrol in the District during April, 2019 and additional traffic control provided as a shared cost with ExxonMobil during heavy entrance and exit times at the ExxonMobil campus.

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 requested that agenda item 3(d) be removed from the consent agenda for discussion. Director Mason moved to approve all items on the consent agenda, with the exception of agenda item 3 (d). 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

Mr. May discussed Best Trash LLC's proposed Consumer Pricing Index ("CPI") and additional fee increase which impacts the rates charged by the District to the residents. Following review and discussion, Director Darcy moved to approve the CPI and proposed fee increase and amend the sanitary sewer base rate in the District's Rate Order to include the increase. Director Rose seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2018

Mr. McGrath reviewed an audit draft report for the fiscal year ended December 31, 2018. Following review and discussion, Director Rose moved to (1) approve the audit report, subject to final review; and (2) authorize ABHR to file the final audit report with the Texas Commission on Environmental Quality ("TCEQ") and the Texas Comptroller of Public Accounts. The motion was seconded by Director Mason and passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS, INCLUDING COLLECTION OF DELINQUENT TAXES

Mr. Patterson reviewed the tax assessor/collector's report and updated the Board regarding recent meetings with the Harris County Appraisal District to discuss appraisal of category properties in the District. After review and discussion, Director Darcy moved to (2) approve the tax assessor/collector's report; (2) pay the bills presented for payment from the tax account; and (3) approve Resolutions Requesting Appraisal of Property and Certificate of Estimated Appraised Value for the District and Defined Area No. 1. 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 Mason made a motion to (1) approve the

bookkeeper's report; (2) approve payment of the bills presented; and (3) authorize purchase of a 1.244 acre tract for expansion of the Spring Stuebner pond. The motion was seconded by Director Rose and passed unanimously.

OPERATION OF DISTRICT BILLINGS, REPAIRS AND MAINTENANCE

Mr. Dautrich 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. Garcia updated the Board regarding installation of Badger automated meters and said customers would be notified by door hanger of the procedures to set up accounts to review usage information. Mr. Garcia also reported regarding monthly sampling to monitor a previously reported fluoride spike in District water samples. Mr. Garcia said TNG will perform valve and manhole surveys in Audubon Grove next month. Following review and discussion, Director Mason 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 the following agreements and Ms. Humphries confirmed that disclosure compliance pursuant to House Bill 1295 was received for:

1. contracts with Clear Channel Outdoor Advertising;
2. Law Enforcement Services Agreement with Chris Wohlschegel;
3. Master Services Agreement with Saville Electric;
4. Jones & Carter Task Order No. 021-19-008; Bid Services for Utilities West of Springwoods Village Parkway;
5. Jones & Carter Task Order No. 021-19-009; Construction Management Services for CityPlace Park Bridges;
6. Jones & Carter Task Order No. 021-19-010; Bid Services for Spring Stuebner Detention Expansion;
7. Jones & Carter Task Order No. 021-19-011; Bid Services for Ground Storage Tank #2;
8. Jones & Carter Task Order No. 021-19-012; Construction Management Services for CityPlace Roads Phase II; and

9. Jones & Carter Task Order No. 021-19-013; Construction Management Services for CityPlace Landscape Phase II.

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

DEEDS AND EASEMENTS

There was no discussion for this agenda item.

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 design of and plans for (1) Ground Storage Tank No. 2; (2) utilities west of Springwoods Village Parkway; and (3) the Spring Stuebner Detention Expansion and requested authorization to advertise for bids for construction.

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

1. CityPlace Roadways – Phase II (Jones & Carter/Harper Brothers Construction);
 - a. Pay Estimate No. 4; and
 - b. Change Order No. 2 (Pond Drainage Modifications).

Based upon the recommendation of Mr. Lozano, the Board determined that the change order listed above is beneficial to the District.

Mr. Lozano updated the Board regarding drainage/punch-list repairs underway in Audubon Grove at the cost of Taylor Morrison to bring the drainage into compliance with Harris County, City of Houston and State regulations.

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; (2) authorize the District engineer to advertise for bids for construction of Ground Storage Tank No. 2, utilities west of Springwoods Village Parkway and the Spring Stuebner Detention Expansion; (3) approve Pay Estimate No. 4 for CityPlace Roadways, Phase II; and (4) approve the Change Order listed and discussed above, based upon the Board's finding that the Change Order is beneficial to the District and

the engineer's recommendation Director Mason seconded the motion, which passed by unanimous vote.

MANAGEMENT REPORT


Mr. Cooke reviewed a management report from MSA, a copy of which is attached. Following review and discussion, Director Mason moved to approve the management report. The motion was seconded by Director Darcy and passed unanimously.

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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