

MINUTES OF REGULAR MEETING
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 18
HARRIS AND BRAZORIA COUNTIES, TEXAS

September 25, 2018

THE STATE OF TEXAS

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HARRIS AND BRAZORIA COUNTIES

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The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 18 (the "District") of Harris and Brazoria Counties, Texas, met in regular session, open to the public, at 5:00 p.m., on the 25th day of September 2018, at the City of Pearland Recreation Center, 4141 Bailey Road, Pearland, Brazoria County, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Kerri Conner

President

Wesley J. Boyer

Vice President

Ronald Gerlach

Assistant Vice President

Richard W. Wach

Secretary/Treasurer

O.E. (Mickey) McDonald

Assistant Secretary/Treasurer

All members of the Board were present, with the exception of Director Boyer*, thus constituting a quorum.

Also present were Delia Yanez of Assessments of the Southwest, Inc., the District's Tax Assessor/Collector; Ms. Dana Davis of Myrtle Cruz, Inc., the District's Bookkeeper; Mr. Lenny Hardoin of Champions Hydro-Lawn, the District's Detention Maintenance provider; Mr. Jaime Salinas of Huitt Zollars, Inc., the District's Engineer; Mr. Mark Eyring of Roth & Eyring, PLLC, the District's Auditor; and Mr. John Wallace of Bacon & Wallace, L.L.P., the District's Attorneys.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order.

PLEDGE OF ALLEGIANCE

Director McDonald led the meeting in the Pledge of Allegiance.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on August 28, 2018, were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

AUDIT REPORT

Mark Eyring presented for Board review and approval a draft of the District's Audit Report for the fiscal year ended June 30, 2018. Mr. Eyring reported there were no significant problems found, and he gave an unqualified opinion on the District's financial position. He stated no issues were found with the Bookkeeping or the Tax matters, and there were no discrepancies with the City of Pearland. Following discussion, upon motion duly made and seconded, the Board voted unanimously to authorize the filing of the Audit Report for fiscal year ended June 30, 2018, subject to final review and comments from the Board and Consultants. A copy of the final Audit Report for 2018 will be included in the District's permanent records.

2018 TAX RATE

The Board opened the public hearing on the tax rate. Delia Yanez presented the affidavit of publication showing the notice of hearing had been published in the *Pearland Journal* regarding the District's intent to levy a total 2018 tax rate of \$0.31 per \$100 assessed valuation, which consist of a debt service rate of \$0.28 per \$100 assessed valuation and a maintenance and operations rate of \$0.03 per \$100 assessed valuation. Since there were no members of the public present at this time the hearing was closed.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Setting 2018 Tax Rate as presented. Mr. Wallace next presented the Amendment to Information Form, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Amendment to Information Form as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Delia Yanez then presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Yanez reported that 99.22% of the District's 2017 tax levy had been collected. She stated that the tax statements would be mailed out. Ms. Yanez informed the Board that the Delinquent Tax Roll report had been received, and she would notify the Board of any recommendations to terminate water services. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

BOOKKEEPER'S REPORT

Dana Davis next presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. Ms. Davis reported that the debt service payment had been made on September 1, 2018, and she noted two checks had been reissued to Champions Hydro-Lawn Inc. for corrected amounts. Ms. Davis next reviewed the second month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. Upon motion duly made and

seconded, the Board voted unanimously to approve the Bookkeeper's Report, the Investment Report, and payment of checks as presented.

ENGINEER'S REPORT/DETENTION POND MAINTENANCE

Jaime Salinas presented the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. Mr. Salinas informed the Board that the September mowing had been completed, and the next mowing would be in October. He stated the fall overseeding and fertilization would be completed after the October mowing. Mr. Salinas next reported that the ponds were in good condition. Mr. Salinas informed the Board that Urettek had repaired the overflow swale at the Pine Hollow detention pond, copies of photographs of the repairs are attached hereto as exhibits. He then informed the Board that Urettek's original estimate was \$3,300; however, he noted that they requested additional payment in the amount of \$1,540 for the materials used, which would bring the total to \$4,890. Upon motion duly made and seconded, the Board voted unanimously to approve the total invoice of \$4,890.

Mr. Salinas then presented a proposal from Champions Hydro-Lawn Inc. for the washout repair of the Pine Hollow drainage channel, a copy of which is attached hereto as an exhibit. He stated Champions Hydro-Lawn Inc. provided two options to desilt the drainage channel. Mr. Salinas informed the Board that option one included desilting of approximately 1,000 linear feet (220 cubic yards) to spread on top of the slope for \$13,000. He stated that option two included desilting and the same linear footage except it included the removal of the silt off-site for \$24,960. He then recommended the Board consider option two due to the history of flooding in the subdivision. Director Connor stated she did not think either option would have an effect on the flooding. Mr. Hardoin informed the Board that the spreading would just be a couple of inches. After discussion and upon motion duly made and seconded, the Board voted unanimously to proceed with the option one proposal in the amount of \$13,000 to desilt the Pine Hollow drainage channel.

With regard to the Villa Masters Remote Detention Pond, Mr. Salinas proposed extending the road right-of-way onto the land owned by the Villa Masters Homeowners Association ("HOA"). He stated that the District had a maintenance easement, and the original plat indicated a future public roadway. Mr. Salinas informed the Board that the developer now wanted to construct the road on the south side of the pond, and he agreed that the request was consistent with the original development plan and plat. Mr. Salinas stated that the HOA would be required to sign the plat and agree to provide the District with a driveway, which the District needed for future access. Director Gerlach said he thought the old access road was inaccessible. Mr. Salinas stated that the Villa Masters HOA agreed to sign the plat. Mr. Wallace asked if the District's easement needed to be modified. Mr. Salinas informed the Board that the driveway would be fully encompassed with the existing District easement. Mr. Wallace recommended that the access easement needed to be included on the plat and the plat signed by the District.

Director Gerlach recommended the Board consider placing "no vehicles allowed" signs at the pond. Director Gerlach then informed the Board that construction of new homes had commenced. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

INVESTMENT POLICY

Mr. Wallace next presented the Order Regarding Annual Review of Rules, Policies and Code of Ethics for the Investment of District Funds, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board Voted unanimously to approve the Order as presented.

RATIFY CHAMPIONS HYDRO-LAWN MAINTENACE SCHEDULE

Mr. Wallace informed the Board that the mowing schedule had been revised to move June mowing to July. Upon motion duly made and seconded, the Board voted unanimously to ratify the new maintenance schedule for Champions Hydro-Lawn.

*Director Boyer entered the meeting at this time.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)




Secretary, Board of Directors