

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

January 27, 2015

THE STATE OF TEXAS §
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HARRIS AND BRAZORIA §
COUNTIES §

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 6:00 p.m., on the 27th day of January, 2015, at the City of Pearland Public Library, 3522 Liberty Drive, Pearland, Brazoria County, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

O. E. (Mickey) McDonald	President
Wesley J. Boyer	Vice President
Richard W. Wach	Secretary/Treasurer
Kerri Connor	Assistant Secretary/Treasurer
Ronald Gerlach	Director

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

Also present were Ms. Dana Davis of Myrtle Cruz Inc., the District's Bookkeeper; Ms. Cathy Brittain-Drew of Assessments of the Southwest, Inc., the District's Tax Assessor/Collector; Mr. Tom Dillard and Ms. Stacey Wagner of Champions Hydro-Lawn, Inc., the District's Detention Pond Maintenance Contractor; Mr. Jaime Salinas, P.E. of Huitt Zollars, Inc., the District's Engineer; and Mr. John R. Wallace of Bacon & Wallace, L.L.P., the District's Attorney.

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. He informed the Board Director Boyer lost his stepfather last week. The Board observed a moment of silence in respect for Director Boyer.

PUBLIC COMMENTS

Tom Dillard introduced Stacey Wagner as the District's new representative from Champions Hydro-Lawn, Inc. He noted that Zach Hardoin was reassigned within the company.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on December 16, 2014 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as amended.

TAX ASSESSOR/COLLECTOR'S REPORT

Cathy Brittain-Drew presented the Tax Assessor/Collector's Report and the Delinquent Tax Report, copies of which are attached hereto as exhibits. She reported the District collected 63.82% of the 2014 tax levy as of December 31, 2014. Ms. Brittain-Drew stated the District's 2014 Assessed Value was \$404,049,538. She informed the Board \$950,000 was transferred to the Debt Service Fund, and \$95,597.45 was transferred to the Operating Fund. Ms. Brittain-Drew noted there were no additions to the delinquent tax list.

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. She reviewed with the Board a summary of the District's surplus funds.

Ms. Davis then reviewed the sixth month of the year-to-date budget, which is currently showing a surplus of \$16,000. She noted the City of Pearland Municipal Utility District reimbursement fees were recently received, but they are not shown on the report. Ms. Davis next reviewed the Investment Report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report and Investment Report as presented.

ENGINEERING REPORT

Jaime Salinas presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He stated the District's maintenance costs to date are \$54,000. He reported the spring mowing will be done in February 2015, and the overseeding will be done in March or April 2015. Mr. Salinas noted the ponds are in good condition. He then noted the signs have been received and will be installed. He informed the Board two signs will be placed at Centennial Village, and two signs will be placed at the Remote Pond.

Mr. Salinas reported the Storm Water Quality Notice of Intent Application was submitted to the Texas Commission on Environmental Quality in July 2014. He reported the City of Pearland ("City") submitted a Storm Water Quality Application for the entire city. Mr. Salinas noted the State has decided that the District should submit a letter withdrawing the Notice of Intent application, and rely on the City's plan. Upon motion duly made and seconded, the Board authorized Director McDonald to execute the letter withdrawing the Notice of Intent application.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

CHAMPIONS HYDRO-LAWN REPORT

Tom Dillard then presented the Champions Hydro-Lawn, Inc. report on the status of detention maintenance, a copy of which is attached hereto as an exhibit. Mr. Dillard reported the Engineer sent a letter to Renee McGuire instructing that she maintain the storm water quality features at Ville d'Este §2. He stated Ms. McGuire replied the maintenance is the responsibility of the Homeowners Association ("HOA"). Director Gerlach noted there is no evidence that the developer transferred the storm water quality features to the HOA. Mr. Dillard reported they are reviewing the facility periodically. Mr. Salinas informed the Board the District should not pursue this matter at this time. The Board determined the District should move to monitoring the pond at Villa d'Este Section 2 once a year in March or April.

Upon motion duly made and seconded, the Board voted unanimously to approve the report as presented.

ATTORNEY'S REPORT

Mr. Wallace reported he is continuing to work on the surplus funds application. He noted he needs information from the Financial Advisor to support the reason for filing the application. Mr. Wallace then presented and reviewed an engagement letter from the law firm of McCall, Parkhurst & Horton for tax advice on redemption and refunding of the District's outstanding bonds. Upon motion duly made and seconded, the Board voted unanimously to approve the Attorney's Report as presented.

ARBITRAGE COMPLIANCE

Mr. Wallace presented for Board approval the arbitrage rebate calculation report for the District's Bonds. Following review, upon motion duly made and seconded, the Board voted unanimously to approve the arbitrage report, a copy of which is attached hereto as an exhibit.

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



Richard W. Wach
Secretary, Board of Directors