

There were no members of the public present at this time. Director McDonald read a statement regarding a discussion he had with John Wallace, the District's Attorney relating to Brandon Shimek's request for assistance from the District with desilting two Pine Hollow detention ponds. Director McDonald stated Mr. Wallace advised the Board to take no action on the request unless and until a written request from the appropriate representatives of Pine Hollow Homeowner's Association was provided. The matter was then tabled.

APPROVAL OF MINUTES

Penny McDonald then presented the minutes of the meetings of August 22, 2017 and September 26, 2017 for the Board's review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

2017 TAX RATE

Ms. McDonald then opened the public hearing on the tax rate. Since there were no members of the public present at this time, the hearing was closed. Esther Kumaga presented the affidavit of publication showing the notice of hearing had been published regarding the District's intent to levy a total 2017 tax rate of \$0.31 (for debt service) per \$100 assessed valuation. Ms. McDonald then presented the Order Setting 2017 Tax Rate, 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. Ms. McDonald 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. Bill Burdick arrived at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Kumaga presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Kumaga reported that 99.44% of the District's 2016 tax levy had been collected. She then reviewed payments made from the Tax Account with the Board. Stacey Wagner arrived at this time. Ms. Kumaga next reviewed the Delinquent Tax Attorney's report, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report and the disbursements from the Tax Account.

BOOKKEEPER'S REPORT

Dana Davis then presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reviewed the District's fund balances, the investment report and the third month of the year-to-date budget, copies of which are attached hereto as exhibits. Ms. Davis noted she was waiting on the MUD reimbursement payment from the City of Pearland and noted the payments were now being made quarterly. 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 Engineer's Report, a copy of which is attached hereto as an exhibit. Stacey Wagner presented the Detention Maintenance Report, a copy of which is attached hereto as an exhibit. Mr. Salinas informed the Board the October mowing had been done and the next mowing would occur in November. He noted that re-seeding and fertilization would also be done at that time.

Ms. Wagner then presented a proposal for regrading five drainage easements in Towne Lake Estates, a copy of which is attached hereto as an exhibit. Ms. Wagner stated that she and Mr. Salinas had viewed the easements and found a total of six, with five they felt needed addressing, at a total cost of \$19,400. Mr. Salinas stated that the cost represented a price of approximately \$32 per linear foot, which was comparable to the cost of a similar project performed in Bella Vita, Section 5 recently.

Director McDonald then inquired about the pipes under the swales. He also asked about the overflow swale in Villa D'Este, Section 2 and if it was draining properly. Mr. Salinas noted the photograph in the report was taken right after a rain event. Director McDonald asked if the swale was being cleaned twice monthly, and Mr. Salinas stated it was.

The Board, Mr. Salinas, Mr. Dillard and Ms. Wagner then entered into a discussion regarding the proposal. It was noted that a representative of Towne Lakes Estates had attended the Board meeting the previous month and requested assistance with maintenance of four easements, but the proposal listed six. Mr. Salinas stated that upon investigation six easements had been located, with five that appeared to need regrading. Ms. Wagner then reviewed the proposal in detail. Director McDonald inquired if the easements in question drained into the lake, and Mr. Salinas responded they did. Director McDonald then inquired how long it would take to complete the work, and Ms. Wagner replied approximately eleven days at ten hours each day.

Director Boyer questioned the cost of the labor involved. The Board then entered into a discussion regarding the costs of the project and whether the District should agree to pay for the project. Mr. Dillard informed the Board he felt the pricing would go up in the future due to the shrinking labor force in the Houston area. Director Boyer stated he felt the labor cost in the proposal was extreme. Mr. Dillard stated it was the standard cost in the industry. Director Connor noted the proposal was for a larger scope than what the Board requested. The matter was then tabled with no action taken. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report and the Detention Pond Maintenance Report as presented.

INVESTMENT POLICY

Ms. McDonald then presented the Order Regarding Annual Review of Investment Policy, 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.

Ms. McDonald then informed the Board that several changes had been required to the District's Investment Policy due to recent changes made in state legislation. She then presented the Order Adopting Amended and Restated Investment Policy, a copy of which is attached hereto as an exhibit. The Board inquired about the specific changes and Ms. McDonald stated there were changes to required certificates and types of investments allowed. The Board requested that a copy of the Order showing the changes made be provided to the Board Members. After discussion, on motion duly made and seconded, the Board voted unanimously to approve the Order as presented.

ATTORNEY'S REPORT

Ms. McDonald then informed the Board that the arbitrage compliance report relating to the District's Series 2009 Refunding Bonds had been received. A copy of the report will be kept in the District's permanent files. Ms. McDonald noted the District was in compliance with the arbitrage rules and there were no issues. She then presented an engagement letter from Arbitrage Compliance Specialists relating to the District's Series 2013 Refunding Bonds, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to accept the report, approve the engagement letter, and to approve the Attorney's Report as presented.


OTHER BUSINESS

Director McDonald then addressed the Board regarding the November and December meetings. He noted that John Wallace would not be available on November 28, and asked if the Board could meet on November 27, 2017. He stated the regular meeting place would not be available on that date. Ms. McDonald informed the Board that the meeting could legally be held at any location within the District. Director Connor stated she thought the District had specified a restaurant as a meeting place and Ms. McDonald stated she would review the file. Director McDonald then asked Mr. Burdick if the Bella Vita Club House was available, and Mr. Burdick stated it was. After discussion, the Board determined to hold the November meeting on the 27th at the Bella Vita Club House.

Director McDonald then stated the District's regular meeting date in December would fall on the day after Christmas and inquired if the other Board Members wished to meet that day. The Board discussed the matter and determined to move the meeting up one week. Director McDonald asked Mr. Burdick if the Bella Vita Club House would be available, as the regular meeting place would not. Mr. Burdick stated the Club House was available. The Board then requested Ms. McDonald to determine if Mr. Wallace could meet on December 19th. The Board determined to hold the December meeting on the 19th at the Bella Vita Club House, pending confirmation of a quorum and Mr. Wallace's availability.

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




Secretary, Board of Directors