

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

October 28, 2014

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 28th day of October, 2014, at the City of Pearland Public Library, 3522 Liberty Dr., 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:

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 and Director Gerlach, thus constituting a quorum.

Also present were Ms. Dana Davis of Myrtle Cruz Inc., the District's Bookkeeper; Ms. Rhonda Rushton of Assessments of the Southwest, Inc., the District's Tax Assessor/Collector; Mr. Tom Dillard and Mr. Zach Hardoin 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; Mr. Don Jensen, a resident of the District; Mr. Bill Burdick, a resident of the District; 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.

PUBLIC COMMENTS

There were no public comments at this time.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on September 23, 2014 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as amended.

PUBLIC HEARING ON 2014 TAX RATE

Rhonda Rushton confirmed that the notice of the public hearing on the District's proposed tax rate for 2014 was published in the *Pearland Journal*. A copy of the publisher's Affidavit is attached hereto as an exhibit. Following review and discussion, upon motion duly made and seconded, the Board voted unanimously to adopt an Order Setting 2014 Tax Rate establishing a debt service tax rate of \$0.43 per \$100 of assessed valuation, and a maintenance and operations tax rate of \$0.04 per \$100 of assessed valuation, for a combined tax rate of \$0.47 per \$100 of assessed valuation. A copy of the Order is attached hereto as an exhibit. The Board then reviewed the Amendment to Information Form. Upon motion duly made and seconded, the Board voted unanimously to approve the Amendment to Information Form as presented. Mr. Wallace was authorized to file same with the Texas Commission on Environmental Quality (the "TCEQ") and in the Harris County Real Property Records.

TAX ASSESSOR/COLLECTOR'S REPORT

Rhonda Rushton presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. She reported the District had collected 99.68% of the 2013 tax levy. Ms. Rushton stated most of the unpaid accounts are tax deferral accounts.

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 reviewed the Bookkeeper's report, a copy of which is attached hereto as an exhibit. She reviewed the third month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. She reported the City of Pearland Municipal Utility District fees were received today, and they will be included on next month's report.

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

AMENDED AND RESTATED INVESTMENT POLICY

The Board then reviewed an Amended and Restated Order Designating Investment Officer and Establishing Rules, Policies, and Code of Ethics for the Investment of District Funds and Review of Investments. After discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Order as presented. A copy of the Order is attached hereto as an exhibit.

ENGINEERING REPORT

Jaime Salinas presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He reported the District's total maintenance spent to date is \$15,816. Mr. Salinas stated the mowing has been done, fertilizing and over seeding will be done next month.

Mr. Salinas informed the Board the Villa D'Este Section 2 Storm Water Quality outfall structure will be inspected. He stated the Champions Hydro-Lawn proposal for cleaning the Storm Water Quality outfall has been sent to R. West Development, and they will contact the Villa D'Este Homeowners Association regarding the cleaning. Mr. Salinas informed the Board there was no activity in Bellavita at Green Tee during the prior month.

Mr. Salinas reported the Storm Water Management Program and Notice of Intent have been submitted to the TCEQ for processing. He stated the TCEQ administrative review is complete and it is now under technical review. Mr. Salinas noted a Notice of Termination will be submitted after the Notice of Intent is received.

Mr. Salinas informed the Board Champions Hydro-Lawn will review the Capital Projects. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

CHAMPIONS HYDRO-LAWN

Zach Hardoin presented the Champions Hydro-Lawn Report, a copy of which is attached hereto as an exhibit. Mr. Hardoin stated work on the Villa D'Este Extreme Event Overflow Swale was completed on October 14, 2014. He informed the Board loose grout was removed and tied into the slope paving in Villa Verde, Section 1. Mr. Hardoin then reported 1,350 feet of desilt was completed in Ravenwood, Sections 1 and 2 on October 17, 2014. He noted the 1B Detention Pond was desilted to the center of the pond and loose grout was removed from both RCP's in Bellavita at Green Tee. Mr. Hardoin reported the inlet top was reset and rebar was embedded into the concrete walls and top on October 21, 2014 in Bellavita at Green Tee. He informed the Board other projects were completed, and the District will be billed for the work that has been completed. Mr. Salinas stated some additional items will be presented at the District's next Board meeting. Upon motion duly made and seconded, the Board voted unanimously to approve the Champions Hydro-Lawn Report.

DISCUSSION OF FINANCIAL PLAN, CAPITAL PROJECTS AND BONDS

The Board determined to table this matter at this time.


ATTORNEY'S REPORT

Mr. Wallace reviewed the situation with Rathmann & Associates. He informed the Board he has reviewed the Settlement Agreements between Rathmann & Associates and RBC Capital Markets, respectively, and the Attorney General's office concerning alleged antitrust

violations. Mr. Wallace reported that some money will be returned to the District, in the amount of approximately \$26,000. He stated he expects Mr. Rathmann will explain the situation at the District's November 2014 meeting.

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




Secretary, Board of Directors