

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

February 24, 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 24th day of February, 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 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; 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; Mr. Bill Burdick, a resident of the District, Mr. Jerry Lavey and Mr. Thomas Mraz of HARCO Insurance Services, the District's Insurance Agent, and Ms. Penny McDonald 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 comments from the members of the public present at the meeting.

INSURANCE RENEWAL PROPOSAL

Director McDonald then stated that he would like to proceed with the review and approval of the insurance proposal prior to discussing other agenda items. Jerry Lavey then introduced himself and Thomas Mraz as representatives of HARCO Insurance Services. Mr. Lavey next described the Texas Municipal League ("TML"), stating it was a risk pool, not an actual insurance company. He noted that as such, TML was able to keep its rates consistently lower than traditional insurance companies. Mr. Lavey then presented the renewal proposal, a copy of which is attached hereto as an exhibit. He reviewed the proposal with the Board, and noted that the premiums had gone up slightly. He also stated that the District had a good history of equity returns from TML. Upon motion duly made and seconded, the Board voted unanimously to approve the proposal as presented and to authorize Director McDonald to execute same. Mr. Lavey and Mr. Mraz departed the meeting at this time.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on January 27, 2015 were presented for review and approval. Director McDonald then addressed Mr. Salinas and requested clarification regarding an entry in the minutes under the Champions Hydro-Lawn report. Mr. Salinas clarified his statements at the last meeting and certain revisions were requested to the minutes. After discussion, 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 89.21% of the 2014 tax levy as of the previous month. Ms. Brittain-Drew stated the District's 2014 Assessed Valuation was \$400,163,957. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's report as presented.

TAX EXEMPTIONS

Ms. McDonald then presented a Resolution Regarding Exemptions from Taxation for 2015. She noted that the Resolution provided for the same exemptions as the previous year: \$30,000 for residence homesteads of individuals disabled or aged 65 or over and no general homestead exemption. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented. A copy of the Resolution is attached hereto as an exhibit.

PENALTY ON DELINQUENT TAXES

Ms. McDonald next presented a Resolution Implementing 20% Penalty on Delinquent Taxes and Contracting with Attorneys for the Collection of Delinquent Taxes. Director Gerlach inquired about the 20% figure and Ms. McDonald stated that it was the amount allowed by law, and that the penalties collected were used to pay the delinquent tax attorneys. Ms. Brittain-Drew agreed and noted that all of the Districts represented by her firm charged the same amount. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution

as presented. A copy of the Resolution is attached hereto as an exhibit.

BOOKKEEPER'S REPORT

Dana Davis next presented the Bookkeeper's report, a copy of which is attached hereto as an exhibit. She stated that the debt service payment due on March 1 had been made and noted that the next payment would be due in September. She also noted that she had renewed the District's CD's. Ms. Davis then informed the Board that the City of Pearland had paid the municipal utility district reimbursement fees due the District in the amount of \$10,000.

Ms. Davis then reviewed the seventh 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.

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 were \$58,893. He reported the next mowing would be done in March, and that overseeding was scheduled for March or April, depending upon the weather.

With regard to capital improvement projects, Mr. Salinas stated that all projects had been completed at a final cost of \$132,110. Mr. Salinas next informed the Board that minor repairs were needed at the Villa Masters Remote Detention pond: re-grading of the access road and repair of the back slope interceptor outfall. He stated that Champions Hydro-Lawn would present proposals for these repairs at the next meeting. He then stated that the signs for Centennial Village and Villa Masters had been received, but not installed due to wet soil conditions. Mr. Salinas next informed the Board that the Storm Water Quality Notice of Intent Application had been withdrawn from the TCEQ.

Director McDonald noted that a drain in Ville D'Estes, Section 2 seemed to continuously hold water. Mr. Salinas stated that the drain was fairly small and flat, and that leaves and grass clippings collected there, keeping the water from draining properly. He noted that Champions Hydro-Lawn could monitor it and clean it out when needed.

Director Gerlach then inquired about the damage to the Centennial Village detention pond, which was reported to have been caused by a resident driving a truck in the pond. The Board, Mr. Salinas and Ms. Wagner then entered into a discussion regarding what repairs, if any, should be performed. It was noted that when overseeding was performed, grass would grow to fill in the ruts. Director Gerlach then questioned if charges could be filed against the perpetrators, and if so, which entity had the authority to do so. Ms. McDonald stated that if the District did not own the site she did not believe it had the authority to file charges. Ms. Wagner and Mr. Salinas noted that often the police would not prosecute unless the culprit was caught in the act, and even then "no trespassing" signs were often required. Director Boyer noted that the District had maintenance agreements in place with the various Homeowners' Associations and asked if the agreements would cover such matters. Director McDonald stated that he felt a member of the Board should attend the Homeowners' Associations' meetings and inform them of

their responsibilities. Ms. McDonald stated that she would speak with Mr. Wallace about reviewing the detention maintenance agreements, the possibility of filing charges, and determining the Homeowners' Associations' meeting dates.

Director McDonald next stated that he felt the Board Members should have business cards for presenting to district residents if requested. It was noted that at some points when Board Members were on site conducting inspections of detention areas, police had stopped and questioned them regarding their activities. Director Connor stated that she did not feel comfortable giving out business cards with her personal phone number listed on them, and suggested laminated badges or identification cards instead. Director McDonald agreed to look in to the costs of laminated badges/identification cards. The Board then determined to table discussion of this matter until the next meeting.

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

CHAMPIONS HYDRO-LAWN REPORT

Stacy Wagner stated that she had nothing further to report.

ATTORNEY'S REPORT

Ms. McDonald reported that the surplus funds application had been filed. Upon motion duly made and seconded, the Board voted unanimously to approve the Attorney's Report as presented.

OTHER MATTERS

Director McDonald next informed those present that the March and April Board meetings would be held in the conference room of the Pearland Library.

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



Richard W. Wach
Secretary, Board of Directors