

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

February 23, 2016

THE STATE OF TEXAS §
 §
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 23rd day of February, 2016, 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, except thus constituting a quorum.

Also present were Ms. Dana Davis of Myrtle Cruz, Inc., the District’s Bookkeeper; Ms. Esther Kumaga of Assessments of the Southwest, Inc., the District’s Tax Assessor/Collector; Mr. Jaime Salinas, P.E., of Huitt Zollars, Inc., the District’s Engineer; Ms. Stacy Wagner of Champion’s Hydro-Lawn Inc., 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.

PUBLIC COMMENTS

There were no comments from the public.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on January 26, 2016 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Kumaga presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. She informed the Board that 85.71% of the District's 2015 tax levy had been collected as of January 31, 2016. She then indicated that \$495,000 was transferred from the Tax Fund to the Operating Fund and \$56,614.60 was transferred to the Maintenance and Operating Fund. Ms. Kumaga reviewed and presented the Delinquent Tax List, a copy of which is attached hereto as an exhibit. She indicated the District had collected all but \$91,000 in delinquent taxes and no other action was required for the delinquent tax report. 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

TAX RESOLUTIONS

John Wallace reviewed a Resolution Concerning Exemptions from Taxation for the 2016 Tax Year, a copy of which is attached hereto as an exhibit. The Resolution includes a \$30,000 exemption for taxpayers over 65 years of age or disabled, with no general homestead exemption. Following discussion, upon motion duly made and seconded, the Board voted unanimously to adopt the Resolution Concerning Exemptions from Taxation for the 2016 Tax Year.

Mr. Wallace then presented and reviewed with the Board a Resolution Implementing 20% Penalty on 2015 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as an exhibit. Following discussion and upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented.

BOOKKEEPER'S REPORT

Dana Davis presented the Bookkeeper's report, a copy of which is attached hereto as an exhibit. She reported total funds in the amount of \$494,685.63 were mistakenly credited to the Debt Service Fund rather than debiting the account for payment. She indicated the mistake would be corrected in March 2016. She then informed the Board the District's true Debt Service Fund balance is \$3,086,629.58. Next, Ms. Davis reviewed the seventh month of the District's fiscal year and the Investment Report. She indicated the District's net positive balance is \$88,500.

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

ENGINEER'S REPORT

Jaime Salinas presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He reported the mowing had been completed in February and the next scheduled mowing will be March 2016. He then indicated the fertilizing and over seeding project has been scheduled for late March or early April 2016. He informed the Board the total maintenance cost to date was \$65,410. He mentioned the City of Pearland will continue to mow Ravenwood Estates and West Oaks Village. He then stated Centennial Village Homeowners Association will mow the roadside ditch. Mr. Salinas told the Board there was nothing else for the District to pursue at the time.

Director McDonald mentioned that he noticed the slopes were failing in the area. Mr. Salinas then told the Board that he would advise the Homeowners Association of Director McDonald's concerns. He then indicated that overall the ponds are in good shape. Mr. Salinas stated Champions Hydro-Lawn, Inc. had installed two signs and he recommended the District not pursue replacing the signs due to the ongoing residential development. Director Gerlach said he would inform Bill Burdick on the status of the remote pond.

Mr. Wallace informed the Board that he received a call from San Nair, a real estate broker. Mr. Nair has a client who is inquiring about utility service to a tract of land in the District. Mr. Salinas noted the tract of land is off Bailey Road and the City of Pearland does not have lines in that area. He then explained that Mr. Nair would need to contact the City of Pearland directly.

Ms. Wagner indicated she inspected the swale of debris at Villa d' Este pond. She noted Champions Hydro-Lawn, Inc. will make a proposal to repair the pond since it continues to hold water even with recent cleanings. Mr. Salinas then mentioned that the Board also needs a proposal to repair the outfall at Bella Vita as well.

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

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

(SEAL)

Secretary, Board of Directors