

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

March 22, 2016

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 5:00 p.m., on the 22nd day of March, 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 Director Connor 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; 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 February 23, 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 96.35% of the District's 2015 tax levy had been collected as of February 29, 2016. She then indicated that \$150,000 was wire transferred to the Debt Service Fund and \$18,501.60 was wire transferred to the Operating Fund. Ms. Kumaga reviewed and presented the Delinquent Tax List, a copy of which is attached hereto as an exhibit.

Ms. Kumaga informed the Board that a resident on the tax roll had requested the penalty and interest for delinquent taxes be waived. She told the Board that the homeowner's mortgage was paid in full in 2015, and the resident claimed that he never received the tax statement. Mr. Wallace informed the Board that the District had no legal grounds to waive the penalty and interest. After a brief discussion, and upon motion duly made and seconded the Board declined the request to waive the penalty and interest.

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 presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She reported that the Debt Service Fund balance had been corrected. Ms. Davis then informed the Board that she received Pearland Municipal Utility District rebate in the amount of \$10,510. She indicated that the payment would be included in April's report. Next, Ms. Davis reviewed the eighth month of the year-to-date budget and the Investment Report, a copy of which is attached hereto as an exhibit. She indicated the District's net positive balance is \$94,000.

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

Jaime Salinas presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He reported that all ponds had been mowed, and the next scheduled mowing as well as fertilizing and over seeding would be in April 2016.

Mr. Salinas indicated that he received a Champions Hydro Lawn proposal in the amount of \$9,950 for re-shaping of the swale at Villa D'Este, a copy of which is attached hereto as an exhibit. He stated that the work would include the removal and replacing of the rip rap and the rehabilitation of the channel. Mr. Salinas told the Board that he had not received the proposal to repair the outfall at Bellavita. Director McDonald approved of the Campions Hydro Lawn proposal.

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

INSURANCE RENEWAL PROPOSAL

Mr. Wallace then presented and reviewed the insurance proposal prepared by Harco Insurance Services, a copy of which is attached hereto as an exhibit. Mr. Wallace provided a brief overview and explanation of coverage. After a brief discussion, and upon motion duly made and seconded, the Board voted unanimously to approve the insurance proposal as presented. A copy of the proposal will be filed in the District's permanent records.

ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE AND CANCELING ELECTION

Mr. Wallace presented and reviewed with the Board the Certification of Unopposed Candidates, a copy of which is attached hereto as an exhibit. He then reviewed the Order Declaring Unopposed Candidates Elected to Office and Canceling Election, a copy of which is attached hereto as an exhibit. After a brief discussion, and upon motion duly made and seconded, the Board voted unanimously to adopt the Order.

Mr. Wallace indicated that the reelected Directors would take their Oaths of Office at the meeting after the May 7, 2016 election date.

AMENDED AND RESTATED CODE OF ETHICS

Mr. Wallace presented and reviewed a draft of the Order Adopting Code of Ethics and asked the Board to review the draft in detail, a copy of which is attached hereto as an exhibit. The matter was then tabled until the District's April 26, 2016 meeting.

ORDER AUTHORIZING APPROVALS OF CERTAIN CONTRACTS

Mr. Wallace presented and reviewed with the Board the Order Authorizing Approvals of Certain Contracts for Board approval, a copy of the Order is attached hereto as an exhibit. After discussion and upon motion duly made and seconded, the Board adopted the Order Authorizing Approvals of Certain Contracts.

ATTORNEY'S REPORT

Mr. Wallace informed the Board that he would not attend the April 2016 and June 2016 Board of Directors meetings.

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




Secretary, Board of Directors