

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

April 25, 2017

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 25th day of April 2017, at the City of Pearland Recreation Center, 4141 Bailey Road, 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, 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. Stacey Wagner of Champions Hydro-Lawn; 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.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on March 28, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

ENGAGEMENT OF AUDITOR

Mark Eyring addressed the Board and presented his firm's proposal to perform the District's audit for the fiscal years ending June 30, 2017 and June 30, 2018, a copy of which is attached hereto as an exhibit. He noted the audit fee for the two-year term was \$8,525. Following discussion, upon motion duly made and seconded, the Board voted unanimously to accept the audit proposal as presented and to authorize the President to execute the engagement letter on behalf of the District.

TAX ASSESSOR/COLLECTOR'S REPORT

Esther Kumaga presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Kumaga reported that 97.38% of the District's 2016 tax levy had been collected. She stated a wire transfer was made to the Debt Service Fund account in the amount of \$125,000. Ms. Kumaga informed the Board that some of the 2015 accounts were still delinquent, and she noted two accounts had pending lawsuits but have since been paid in full. 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 informed the Board that two Certificates of Deposit had been renewed, and she stated money had been transferred from the TexPool account to purchase Certificates of Deposit. She then reviewed the ninth month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. Ms. Davis reported that the District had a surplus of approximately \$35,000 for the year. 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. He informed the Board that the detention ponds were in good condition. He indicated that the mowing, fertilization, and over-seeding had been completed for April and the next scheduled mowing would be in May 2017.

Director McDonald recommended the Board tour the new Riverstone Ranch subdivision to get a view of the District's remote pond. Mr. Salinas informed the Board that a letter had been sent to the City of Pearland regarding his conversation with them about the storm water quality and Villa D' Este Section 2 drainage structure. He noted that he had not yet received a response from the City. Upon motion duly made and seconded, the Board voted unanimously to accept the report as presented.

ATTORNEY'S REPORT

Mr. Wallace informed the Board that the District's new insurance coverage was in place with Arthur J. Gallagher & Co. He then informed the Board that the Arbitrage Compliance reports had been received and there were no issues.

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




Secretary, Board of Directors