

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

April 26, 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 5:00 p.m., on the 26th day of April, 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, thus constituting a quorum. Director Boyer participated in the meeting via speaker phone.

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 Champions Hydro-Lawn, the District's Detention Maintenance Contractor; 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 public.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on March 22, 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 97.91% of the District's 2015 tax levy had been collected as of the previous month. 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. She also stated that two tax refunds had been made. Ms. Kumaga then reviewed and presented the Delinquent Tax List, a copy of which is attached hereto as an exhibit.

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 reviewed the District's various account balances and noted that a Certificate of Deposit had been purchased at Spirit of Texas Bank. Next, Ms. Davis reviewed the ninth month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. She then informed the Board she would prepare a proposed Operating Budget for the 2017 fiscal year for review at the next meeting.

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. Mr. Salinas first reviewed the status of the detention pond maintenance. He stated that the April mowing had been completed and that over-seeding and fertilization was under way. He also stated that the May mowing would occur within the first week of the month. With regard to the repair of the Villa D'Este overflow swale, Mr. Salinas and Ms. Wagner stated that work would begin as soon as possible.

Mr. Salinas then informed the Board that the Texas Commission on Environmental Quality ("TCEQ") required the District to place two MUD identification signs in each subdivision located within the District. He reported that six signs were missing and three that were leaning and needed to either be repaired or relocated. Director McDonald inquired about the cost of the signs. Mr. Salinas and Ms. Wagner indicated that the signs would cost \$400 to \$500 each, including installation.

Director McDonald asked if there was any way to obtain the signs at a lower cost. Ms. Wagner stated it might be possible to have the signs made on thinner metal stock which could

lower the price to \$350 each. Mr. Salinas then informed that Board that the signs were located on public rights of way, and therefore had to be manufactured and installed in accordance with TCEQ regulations. He then reviewed with the Board a specification drawing, a copy of which is included in the Engineer's Report. It was noted that the regulations required thicker metal than that which would be used to make the \$350 signs. Director Wach then inquired about the leaning signs, asking where they were located. Mr. Salinas indicated the signs were in West Oaks Village.

Director McDonald then stated that the MUD identification signs in Villa D'Este were located in such a manner that many people did not see them and therefore were unaware they lived in a MUD. The Board was informed that residents were made aware they were purchasing property within the boundaries of the District by the provision of a Notice to Purchasers of Real Property. Ms. Wagner then indicated she would prepare a proposal for the replacement and/or repair of the signs for the Board's review at the next meeting.

Mr. Salinas then informed the Board that he had inspected the detention ponds and all were in good shape. Director McDonald then asked why the previously available route to the remote detention pond was no longer accessible, noting that the remaining route was steep and difficult to navigate. He also asked Mr. Salinas and Ms. Wagner how the issue could be addressed. Mr. Salinas noted that the Board had previously been presented with a proposal for paving the access road for a cost of approximately \$10,000, but had not accepted the proposal.

Director McDonald stated that the Directors should be able to access the remote pond to inspect if they wished and noted that it had previously been possible to drive in from the east end of the pond site. Ms. Wagner informed the Board that there had been a great deal of development in that area and the construction of new subdivisions had blocked that point of access. Mr. Salinas stated that area was now privately owned and no longer available to use for access to the remote pond. Ms. Wagner stated that once the development in the area was complete, it was possible another route would become available. She then informed the Board that she had driven to the site and inspected the pond herself, that it was half full and looked to be in good condition.

Director McDonald then asked about the damaged outfall pipe. Mr. Salinas stated that it was holding steady and was not a priority one repair. He recommended holding off on repairing the outfall until another project could be done with it; possibly repairs to the access road.

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

ORDER ADOPTING CODE OF ETHICS

Ms. McDonald presented and reviewed the Order Adopting Code of Ethics and briefly discussed the exhibits consisting of Forms 1295, CIS and CIQ. A copy of the Order is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Order as presented.

ATTORNEY'S REPORT

Ms. McDonald then noted that the Arbitrage Compliance Report would be reviewed at the next meeting. She also informed the Board that the Statements and Oaths of the reelected Directors would be on the agenda for the May meeting.

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




Secretary, Board of Directors