

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

May 26, 2015

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 26th day of May, 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. 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; Mr. Mark Eyring of Roth & Eyring, PLLC., the District's Auditor; Ms. Stacey Wagner of Champions Hydrolawn, the District's Detention Pond Maintenance Contractor; 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.

PUBLIC COMMENTS

There were no comments from the public.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on April 28, 2015 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 and the Delinquent Tax Report, copies of which are attached hereto as exhibits. She reported the District collected 98.4% of the 2014 tax levy as of the previous month. Ms. Kumaga stated that the District had received the Preliminary Report of Appraised and Taxable Values from the Brazoria County Appraisal District ("BCAD") for 2015, a copy of which is attached hereto as an exhibit. She reported that BCAD set the District's preliminary value for 2015 at \$232,471,039. Ms. Kumaga informed the Board she has not received the Districts preliminary appraisal from the Harris County Appraisal District. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's report and disbursements from the Tax Account.

BOOKKEEPER'S REPORT

In the Bookkeeper's absence, John Wallace presented the Bookkeeper's report, a copy of which is attached hereto as an exhibit. He stated the Bookkeeper has instructions to transfer surplus funds to the debt service fund. Mr. Wallace then reviewed the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. Mr. Wallace reported the District's budget currently shows a surplus of \$132,033 for the first ten months of 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.

ENGINEERING REPORT

Jaime Salinas presented the Engineer's Report, a copy of which is attached hereto as an exhibit. He stated the District's May mowing is complete, along with the fertilization and overseeding. Mr. Salinas reported the next mowing is scheduled for June, and the remote pond is too wet to access. He reported most of the ponds are full of water, and are in good shape. Director McDonald noted the concern continues with the four wheeler traffic at the remote detention ponds. He said the police have been contacted, and he believes they will help. Stacey Wagner reported new signs have been ordered. She noted two thefts of the signs have occurred so far, and alternatives are being considered. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report as presented.

CHAMPIONS HYDRO-LAWN REPORT

Stacey Wagner presented the Champions Hydro-Lawn report. Ms. Wagner reported she has one sign ready to install, with an approximate cost of \$350 to \$400 to purchase the sign and install it. She stated they will use old frames and poles to reduce the cost. Director Boyer expressed concern for the ongoing cost of replacing the signs that are stolen or defaced. Mr. Salinas noted two signs will be replaced at the remote pond. After discussion, the Board agreed to replacement of the signs.

Upon motion duly made and seconded, the Board voted unanimously to approve the Champions Hydro-Lawn Report as presented.

UNLIMITED TAX REFUNDING BONDS, SERIES 2015

Mr. Wallace reviewed with the Board the results of the sale of the Unlimited Tax Refunding Bonds, Series 2015. He stated the District achieved almost 16% present value savings, or approximately \$750,000 in gross savings for the District. Mr. Wallace informed the Board the Final Official Statement is being printed today, and the closing is scheduled for June 11, 2015.

ENGAGEMENT OF AUDITOR

Mr. Mark Eyring of Roth & Eyring, PLLC., then addressed the Board and presented his firm's proposal to perform the District's audit for fiscal years ending June 30, 2015 and June 30, 2016. A copy of the engagement letter is attached hereto as an exhibit. He noted that the last engagement had been for a two year term as well, and that the proposed fee would be \$8,250.00 per year for the audit reports. Upon motion duly made and seconded, the Board voted unanimously to approve the engagement letter as presented and authorized the President of the Board to execute same on behalf of the District.

ATTORNEY'S REPORT

Mr. Wallace stated he had nothing further to report.

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




Secretary, Board of Directors