

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

June 28, 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 28th day of June, 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 with the exception of 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; Ms. Stacy Wagner of Champions Hydro-Lawn Inc., 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.

MATTERS RELATED TO MAY 7, 2016 DIRECTORS ELECTION

Ms. McDonald presented a Statement of Elected Officer to Wes Boyer. She then administered the Oath of Office. Upon motion duly made and seconded, the Board voted unanimously to accept the Statement of Elected Officer and Oath of Office for Director Boyer, copies of which are attached hereto as exhibits. The Board next considered the matter of reconstitution of the Board. After discussion, on motion duly made and seconded, the Board

determined to retain the positions of the Board Members with no changes. Ms. McDonald stated that her office would file an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ").

PUBLIC COMMENTS

There were no comments from the public.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on May 24, 2016 were presented for review and approval. Director McDonald requested one revision. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as revised.

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 98.63% of the District's 2015 tax levy had been collected as of the previous month. She then reviewed and presented nine checks for approval and signature and noted that three were for overpayments. Ms. Kumaga informed the Board that \$37,565.73 remained in the Tax Account after the payment of the checks presented for approval. Ms. Kumaga then presented the Delinquent Tax Report, and the Delinquent Tax Roll, copies of which are attached hereto as exhibits. She noted that the Tax Assessor's new system made the reports easier to read. Director McDonald asked if the delinquent list included accounts for residents over 65 with tax deferrals. Ms. Kumaga replied in the affirmative.

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 noted that the City of Pearland tax rebate had been received and had been deposited into the Debt Service Account, which had a balance of \$3,582,031.10. She then presented several checks for approval and payment, as shown on the attached report. Next, Ms. Davis reviewed the eleventh month of the year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. She informed the Board that the District had a surplus of \$87,467.86. 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.

Ms. Davis then presented and reviewed with the Board the proposed Operating Budget for the fiscal year ending June 30, 2017, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the 2017 Operating Budget 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. Mr. Salinas stated that the District's detention ponds had held up well despite the recent heavy rainfall. He also noted that all of the ponds had good coverage with thick, green grass. He then informed the Board that the next mowing would occur in July. Mr. Salinas then stated that the summer fertilization would also take place in July. Mr. Salinas and Ms. Wagner then discussed the maintenance estimate for the period of July 2016 through June 2017 and noted the projected cost would be \$114,109 for the year.

With regard to the Villa D'Este overflow swale, Mr. Salinas informed the Board that Champions Hydro-Lawn had started the project and that the estimated cost was \$9,950. He also stated that the Bella Vita, Section 5 project would be started shortly. Director McDonald asked what the Engineer and Champions Hydro-Lawn proposed to do. Mr. Salinas stated that it would not take much work; if the high grass was removed, any remaining water should soak in. He said the other option would be reworking the entire swale, but recommended starting with the minimum amount of work and waiting to see if it took care of the issue. Director McDonald then inquired about the 50' drainage pipe and why the ditch was so deep. Mr. Salinas stated that it was designed to be an "extreme event" swale. Director McDonald stated that he felt it did not drain well. Mr. Salinas said that it had been designed to handle three year events, but that the April and May rains were not normal. He reiterated the importance of keeping the detention ponds fertilized with strong grass growth and root structure to minimize sloughing issues.

Director McDonald then informed the Engineer and the Board that he had spoken with Marie Flickinger, a publisher in the area. He stated Ms. Flickinger was very involved with the reporting of the toxic BRIO site in the area. He then said that there was a rumor that Rene McGuire was looking into using fill dirt from the BRIO site at the proposed development in Bella Vita, Section 6. Director McDonald also stated that Ms. Flickinger would like to attend a Board meeting in the future to discuss the status of the BRIO site. He also noted that Ms. Flickinger had informed him the site had been active lately, with old dirt being removed, new dirt being installed, and a detention pond constructed.

Mr. Salinas informed the Board that Ms. McGuire would have to work with a homebuilder, that the soil would have to be tested, and that the Harris County Flood Control District would also be involved. Director Gerlach stated that he believed Church Builders would be the builder of the development. Mr. Salinas pointed out that the City of Pearland would also have input in the matter. He also stated that these matters were conjecture as the District had not been approached by Ms. McGuire regarding the development. Mr. Salinas also noted that the amount to be reimbursed would most likely be \$100,000 or less and would not require a bond issue. Ms. McDonald said she would discuss the matter with Mr. Wallace and would check the District's agreement with Ms. McGuire.

With regard to the MUD notification sign project, Mr. Salinas informed the Board that all signs had been received by Champions Hydro Lawn and that the signs would be attached to poles and installed soon. It was noted that Mr. Salinas would be marking the spots for installation and Champions Hydro-Lawn would place the signs accordingly.

Director McDonald then asked Ms. Wagner about the status of the Villa D'Este drainage issue. Ms. Wagner stated that she and Mr. Salinas would be meeting later in the week to observe the site and assess the situation. Mr. Salinas noted that drainage was not good in that area and that the goal was to move the water as far away from residences as possible in order to keep mosquitoes away. He also stated that the channel would most likely never be dry. Director McDonald noted that residents had been complaining about water moccasins.

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

ATTORNEY'S REPORT

Ms. McDonald presented the engagement letter for the second year term of engagement of Roth & Eyring, the District's Auditors. Upon motion duly made and seconded, the Board voted unanimously to approve the second year of the engagement as presented. Ms. McDonald then informed the Board that the pricing of the District's Series 2016 Refunding Bonds had been set for July 7, but the closing date had not been set yet.

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




Secretary, Board of Directors