

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

February 25, 2020

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 February 2020, at the First United Methodist Church, 2314 N. Grand Blvd., 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:

Kerri Connor	President
Wesley J. Boyer	Vice President
Ronald Gerlach	Assistant Vice President
Richard W. Wach	Secretary/Treasurer
O.E. (Mickey) McDonald	Assistant Secretary/Treasurer

All members of the Board were present, thus constituting a quorum.

Also present were Ms. Brittini Silva of Assessments of the Southwest, Inc., the District's Tax Assessor/Collector; Ms. Dana Davis of Myrtle Cruz, Inc., the District's Bookkeeper; Mr. Jaime Salinas, P.E. of Huitt Zollars, Inc., the District's Engineer; Mr. Kim Cosco of Champions Hydro-Lawn, the District's Detention Maintenance provider; Ms. Julie Gerdes of Rathmann & Associates, L.P., the District's Financial; Ms. Aubrey Connor, a resident in the District; and Mr. John R. Wallace of Bacon & Wallace, L.L.P., the District's Attorneys.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with the law, copies of which are attached hereto as exhibits, the meeting was called to order.

PLEDGE OF ALLEGIANCE

Aubrey Connor led the meeting in the Pledge of Allegiance.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on January 28, 2019, were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

TAX RESOLUTIONS

Mr. Wallace discussed the Resolution Implementing 20% Penalty on 2019 Delinquent Taxes and Contracting with Purdue, Brandon, Fielder, Collins & Mott, L.L.P. ("PBFCM") to Collect Delinquent Taxes, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Implementing 20% Penalty on 2019 Delinquent Taxes and Contracting with PBFCM to Collect Delinquent Taxes as presented.

Mr. Wallace presented the Resolution Concerning Exemptions from Taxation for the 2020 Tax Year, including a \$30,000 exemption for taxpayers over 65 years of age or disabled, maximum veteran and no general homestead a copy of which is attached hereto as an exhibit. Following discussion, upon motion duly made and seconded, the Board voted unanimously to adopt the Resolution Concerning Exemptions from Taxation for the 2020 Tax Year.

TAX ASSESSOR/COLLECTOR'S REPORT

Brittni Silva presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. She reported that 89% of the District's 2019 tax levy had been collected by January 31, 2020, and another \$90,380 had been collected in February. Ms. Silva informed the Board that the delinquent statements had been mailed, and she expected collections to pick up. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report.

BOOKKEEPER'S REPORT

Dana Davis presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. She next reviewed the deposits, disbursements, the sixth-month of the year-to-date budget, and the Investment Report, copies of which are attached hereto as exhibits. Ms. Davis informed the Board that \$300,000 had been transferred to the Debt Service Fund account, and she noted that the debt service payment was due March 1, 2020. Ms. Davis reported that the November and December MUD fees were received from Pearland MUD. She informed the Board that they had \$65,000 in surplus funds. 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.

PINE HOLLOW DRAINAGE PROPOSAL

The matter was tabled.

ENGINEER'S REPORT/DETENTION POND MAINTENANCE

Mr. Cosbey reviewed the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. Mr. Cosbey reported that the February mowing had been completed. He informed the Board that mowing was scheduled for March and overseeing and

fertilization were all in good condition. Mr. Cosbey stated nutria was present at Lawrence Place, and he would monitor the situation. He also said he would speak to Stacey Wagner; although, there was no word from Town Lake Homeowners Association ("HOA"). Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

INSURANCE PROPOSAL

Mr. Wallace presented and reviewed the insurance proposal prepared by Arthur J. Gallagher & Co. After a brief discussion, and upon motion duly made and seconded, the Board voted to approve the insurance proposal as presented. A copy of the proposal will be filed in the District's permanent records.

ATTORNEY

Mr. Wallace reported that the District would hold an election on May 2, 2020. He informed the Board that the Bella Vita location had been confirmed to host the election. Mr. Wallace stated that the ballot position drawing would be held on Friday, February 14, 2020, and his office had sent out notices. Director Gerlach informed the Board that one person had confirmed to be an election judge, and he expected to hear back from two others. The Board discussed the election and pay scale for election workers. Upon motion duly made and seconded, the Board voted unanimously.

FINANCIAL ADVISOR

Julie Gerdes informed the Board that the refunding of Series 2013 Bonds was available. She next reviewed the numbers on the potential refunding, a copy of which is attached hereto as an exhibit. Ms. Gerdes informed the Board that the bonds would be callable on September 1, 2020, with a delivery date of June 3, 2020, and the bonds would be priced late April or May. She informed the Board that the \$5,600,000 principal amount of bonds would be redeemed. She stated the projected savings would be \$449,229.00, and the present value savings of the bonds being refunded was approximately 8.3%. Ms. Gerdes informed the Board that there would be roughly \$0.01 savings on the tax rate, and there would be no extension of maturities. She recommended the Board consider a parameter sale, which would be authorized at the March meeting.


Ms. Gerdes stated the District received an "A2" rating by Moody's Investor Service. She stated if the Board agreed to the refunding all fees could be avoided, and if the transaction stopped everything except the rating fee by Moody's would be cancelled.

The Board discussed the matter and upon motion duly made and seconded, the Board instructed the Financial Advisor to proceed with the refunding process.

OTHER MATTERS

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




Secretary, Board of Directors