

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

March 26, 2019

THE STATE OF TEXAS

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HARRIS AND BRAZORIA COUNTIES

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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 March 2019, at the City of Pearland Public Library, 3522 Liberty Drive, 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 Conner	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 of Huitt Zollars, Inc., the District's Engineer; Julie Williams of Rathmann & Associates, the District's Financial Advisor; Lenny Hardoin of Champions Hydro-Lawn, the District's Detention Maintenance provider; Mike Fortier, 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 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

Mike Fortier, a resident of Bella Vista attended the meeting.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on February 26, 2019, 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

Brittni Silva presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Silva reported that 96.28% of the District's 2018 tax levy had been collected. She then reviewed the Delinquent Tax Roll, a copy of which is attached hereto as an exhibit. She stated that the delinquent notices had been mailed. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

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 the Debt Service payment had been made on March 1, 2019. Ms. Davis next informed the Board that \$500,000 had been transferred to the Debt Service Fund account and two transfers had been made into the Operating Fund account. She next reviewed the eighth month of the year-to-date budget. Ms. Davis informed the Board that the District had an eight month operating reserve, and the water and sewer rebate MUD fees for February had been received in the amount of \$10,840. She then reviewed the Investment Report, a copy of which is attached hereto as an exhibit. 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 reviewed the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. Mr. Salinas stated that the pond looked very good, and the grass would start to transition to Bermuda grass. Mr. Salinas informed the Board that the drainage was still being monitored. He reported that the March mowing had been completed and the next mowing, overseeding and spring fertilization had been scheduled for April. With regard to the remote pond access, Mr. Salinas reported that there was no activity on the construction.

Mr. Salinas informed the Board that the annual maintenance budget was \$115,000, and he noted that the total maintenance cost to date was \$87,913. Director Gerlach informed the Board that the Homeowners Association ("HOA") landscapers expressed concerns with debris and leaves left in the ponds. Upon motion duly made and seconded the Board voted unanimously to approve the Engineer's Report as presented.

FINANCIAL ADVISOR'S REPORT

Ms. Williams informed the Board that the refunding for Series 2012 Bonds was available. She informed the Board that market interest rates were down which enabled a current refunding of Series 2012 Bonds. She stated that the Tax Reform Act passed by Congress had outlawed advance refundings. Ms. Williams informed the Board that the bonds would be callable on September 1, 2019 with a delivery date of June 1, 2019. Ms. Williams informed the Board that the projected gross savings would be about \$511,883, noting that it was based on today's rates. Ms. Williams stated that \$8,550,000 would have to be issued to refund \$8,100,000 par amount of Series 2012 Bonds. She informed the Board that there would be no extension of debt, and the present value savings of the bonds being refunded was approximately 5.37 %. Ms. Williams stated that the refunding would be a negotiated sale, and she recommended a parameter sale. The Board next discussed the matter and upon motion duly made and seconded the Board agreed to move forward with the parameter sale transaction at the April 23, 2019 meeting. Ms. Williams stated that the bonds would be priced at the end May or early June.

OTHER MATTERS

Director McDonald informed the Board that the Library conference room could be reserved for three months, and he stated that April and May was not available. Director Gerlach informed the Board that he was researching the availability of the clubhouse.

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




Secretary, Board of Directors