

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

May 26, 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 via teleconference, open to the public, at 5:00 p.m. on the 26th day of May 2020, 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 participating, with the exception of Director Boyer, thus constituting a quorum.

Also participating were 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 contractor; Mr. Walter Bastiak, a resident of Bella Vita; Ms. Julie Gerdes of Rathmann & Associates, L.P., the District's Financial Advisor; and Messrs. John R. Wallace and Landon Gerlich 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.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

The minutes of the meeting of the Board of Directors held on April 28, 2020, were presented for review and approval.

## TAX ASSESSOR/COLLECTOR'S REPORT

John Wallace presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. He reported that 97.90% of the District's 2019 tax levy had been collected. He then reviewed the Delinquent Tax Report, a copy of which is attached hereto as an exhibit.

## BOOKKEEPER'S REPORT

Dana Davis presented the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. Ms. Davis reviewed the deposits, disbursements, the eighth-month-to-date budget, and the Investment Report, copies of which are attached hereto as exhibits.

## FINANCIAL ADVISOR'S REPORT

Julie Gerdes presented and discussed the proposal for refunding bonds, a copy of which is attached hereto as an exhibit. Ms. Gerdes informed the Board that the bond market had returned to normal functioning levels, and she expected the market to continue to operate on a normal level. Ms. Gerdes informed the Board that the outstanding Series 2013 Refunding Bonds would be callable on September 1, 2020, and the savings level was currently at 6.33% present value, and a gross savings of approximately \$333,000.00. She reported that the underwriters had factored in the interest rates knowing that they could not price until the bonds were rated. She also stated that pricing would occur in two to three weeks. Ms. Gerdes said the cost of issuance had not changed, and the District would be refunding the Series 2013 Refunding Bonds. She explained that the maturities would not be extended.

Ms. Gerdes next asked the Board to authorize a parameter sale of the bonds. She informed the Board that a credit package would be issued to Moody's for a rating to qualify for bond insurance. Ms. Gerdes stated the bonds would close in August, and they would be callable on September 1, 2020. Ms. Gerdes reported the debt service savings was estimated at \$0.01 per assessed value. She next recommended the Board authorize Hilltop Securities and RBC Capital as underwriters. She informed the Board that the underwriters had submitted disclosure letters, which she noted would be forwarded to the Attorney. Ms. Gerdes next reviewed the issuance risk of the refunding transaction and the duties of the Disclosure Counsel and Municipal Advisor. She informed the Board it needed to adopt a savings parameter for the Bonds. The Board agreed to a minimum of 5% present value saving parameter.

Mr. Wallace then presented and reviewed the required documents for the parameter sale, including:

- Bond Order;
- Preliminary Official Statement/Official Statement;
- General Certificate;
- Rule 15C2-12;
- Signature Identification and No Litigation Certificate;
- Escrow Agreement;
- Paying Agent/Registrar Agreement;
- Notice of Redemption and Refunding;
- Letters to the Attorney General and Comptroller, and others.

Copies of the bond documents will be kept in the District's permanent files. Upon motion duly made and seconded by Directors Gerlach and Wach, the Board voted 4 to 0 to approve the issuance refunding by parameter sale and the distribution of the POS/OS, and authorize Director Connor to execute the necessary documents as presented.

#### ENGINEER'S REPORT/DETENTION POND MAINTENANCE

Mr. Salinas reviewed the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. He reported that the May mowing had been completed, the summer fertilizing had been scheduled, and the next mowing would be completed in June. Mr. Salinas stated that one pond was holding water. Messrs. Cosco and Salinas said they would investigate the matter. Mr. Salinas stated that Bella Vita might need assistance with its turf growth.

#### ATTORNEY

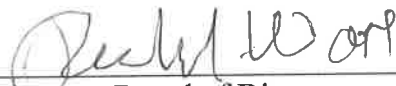
Mr. Wallace informed the Board he was still waiting on guidance from the Secretary of State regarding the Director's election for November 3, 2020. Mr. Wallace next discussed the cybersecurity training course and informed the Board that all Directors were required to take the course.

Upon motion duly made and seconded by Directors Connor and Wach, the Board voted 4 to 0 to approve the Tax Assessor's Report, Bookkeeper's Report, Engineer's Report, and Attorney's Report.

#### OTHER MATTERS

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



  
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Secretary, Board of Directors