

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

August 27, 2019

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 27th day of August 2019, 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, with the exception of Director Boyer, 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. Mark Eyring of Mark C. Eyring, CPA, PLLC., the District's Auditor; Ms. Kim Cosco of Champions Hydro-Lawn, the District's Detention Maintenance provider; Ms. Julie Williams of Rathmann & Associates, L.P., the District's Financial Advisor; 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 the 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 public comments.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors held on July 23, 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 98.59% of the District's 2018 tax levy had been collected. She next reviewed the Perdue, Brandon, Fielder, Collins & Mott, L.L.P., delinquent tax report, a copy of which is attached hereto as an exhibit. Ms. Silva informed the Board that she investigated the 'for sale' property at 2203 E. Marsala Court regarding the delinquent account. She stated there was no response from the realtor. 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 reported that the debt service payment was being processed. She informed the Board that the City of Pearland's MUD fees had been received for \$10,000. Ms. Davis stated that the next debt service payment was due September 1, 2019. She next reviewed the one-month year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. 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

Mr. Salinas reviewed the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. He reported that the proposal for Pine Hollow Detention Pond repair had not been received from Champions Hydro Lawn.

Mr. Salinas reported that the August mowing had been completed, and the fall over-seeding and fertilization would be performed in October.

Mr. Salinas informed the Board that the Developer for Meritage Homes had commenced with installing the roadway around the detention pond and the foundation would be poured soon.

With regard to Villa Verde Section No. 1, Mr. Salinas stated that AT&T installed the conduit; however, they failed to backfill a hole. He said the construction fencing had been installed to block off the hole and he would pursue the matter with the contractor. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

FINANCIAL ADVISOR'S REPORT/TAX RATE RECOMMENDATION

Julie Williams next presented the 2019 tax rate recommendation, a copy of which is attached hereto as an exhibit. Ms. Williams informed the Board that the 2018 debt service rate was \$0.28 per \$100 assessed valuation. She recommended the Board consider a debt service

levy of \$0.26 per \$100 of assessed valuation plus a maintenance tax levy of \$0.03 per \$100 assessed valuation. Ms. Williams stated a maintenance tax rate of \$0.03 would produce approximately \$154,051 in maintenance tax revenue. She reported the 2018 average home sale was \$256,697, and for 2019 tax year the average home sale was estimated at \$272,056. Ms. Williams informed the Board that the certified taxable value for 2019 was \$518,689,088 and it included the owner's value. She stated Senate Bill 2 would restrict the rollback rates to 3.5% increase commencing 2020. She informed the Board that the highest rate to avoid a rollback election was \$0.31590. Ms. Williams informed the Board that the 2019 debt service tax rate was \$0.26 per \$100 assessed valuation, and the fund balance would stay at approximately 75% coverage. She also said that the maintenance and operations rate had roughly 300% coverage.

After discussion, on motion duly made and seconded, the Board voted unanimously to authorize the Tax Assessor to publish the notice of hearing indicating the Board's intention of setting its 2019 tax rate at a total of \$0.29 per \$100 assessed valuation, comprising of a debt service tax rate of \$0.26 per \$100 assessed valuation and maintenance and operations tax rate of \$0.03 per \$100 assessed valuation. The public hearing will be conducted on Tuesday, September 24, 2019 at the District's regular meeting location.

TREE CUTTING IN RESERVE AT BELLA VITA

Director Gerlach informed the Board that he was notified by the Homeowners Association ("HOA") that the Developer had removed the trees from the reserve at Bella Vita. Director Gerlach stated that the Developer was advised not to remove the trees and that they were on private property. He stated that the crew left and returned the next day. Director Gerlach informed the Board that Renee West had conducted a survey in advance of building the lots. Director McDonald asked if Ms. West would be interested in donating the land. Director Gerlach reminded the Board that Ms. West previously said that if there was any unbuildable land, she would donate it to the HOA. Director Gerlach stated that it was more of an HOA issue for Bella Vita than for the District.

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

(SEAL)




Secretary, Board of Directors