

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

September 24, 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 24th day of September 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, thus constituting a quorum.

Also present were Ms. Brittni 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; 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

Aubrey Conner 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 August 27, 2019, were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

AUDIT REPORT

Mark Eyring presented for Board review and approval a draft of the District's Audit Report for the fiscal year ended June 30, 2019. Mr. Eyring reported there were no significant problems found, and he gave an unqualified opinion on the District's financial position. He stated there were no significant adjustments to be made. Following discussion, upon motion duly made and seconded, the Board voted unanimously to authorize the filing of the Audit Report for the fiscal year ended June 30, 2019, subject to final review and comments from the Board and Consultants. A copy of the final Audit Report for 2019 will be included in the District's permanent records.

2019 TAX RATE

The Board opened the public hearing on the tax rate. Brittini Silva presented the affidavit of publication showing the notice of hearing had been published in the *Pearland Journal* regarding the District's intent to levy a total 2019 tax rate of \$0.29 per \$100 assessed valuation, which consisted of a debt service rate of \$0.26 per \$100 assessed valuation and a maintenance and operations rate of \$0.03 per \$100 assessed valuation. Since there were no members of the public present at this time, the hearing was closed.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Setting 2019 Tax Rate as presented. Mr. Wallace next presented the Amendment to Information Form, a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Amendment to Information Form as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Brittini Silva presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Silva reported that 99% of the District's 2018 tax levy had been collected. With regard to the 'for sale' property at 2203 E. Marsala Court (Ferguson's account), Ms. Silva stated that since she could not reach the realtor, she contacted the Harris County Appraisal District and was told they had no record of death on file. 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 had been made on September 1, 2019. She next reviewed the two-month year-to-date budget and the Investment Report, copies of which are attached hereto as exhibits. She informed the Board the General Operating Fund balance was \$802,619.60. 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 CHANNEL

Kim Cosco and Jaime Salinas informed the Board that they met on site with the Homeowners Association regarding the detention pond repairs. They reported that proposals for the concrete pilot project and the earthen pilot channel would be presented at the next meeting. They informed the Board that both proposals would be acceptable to Drainage District No. 4, and the washout conditions were the same.

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 maintenance cost was \$26,661. Mr. Salinas reported that the September mowing had been completed, and the fall over-seeding and October mowing were scheduled. He stated that the ponds were in good condition even with last week's heavy rains. Mr. Salinas informed the Board that no massive flooding of dwellings was reported, and the fertilization would be performed in October.

Mr. Salinas stated the pond serving Villa D'Este Section 2 was holding water, and it may need to be cleaned out and de-silted. He informed the Board that the Developer was still working around the remote pond. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

ORDER DESIGNATING OFFICES/MEETING PLACES

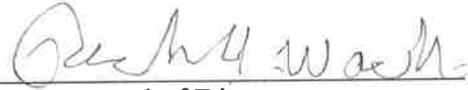
Mr. Wallace presented the Order Designating Offices/Meeting Places of the District, a copy of which is attached hereto as an exhibit. He informed the Board that changes to the law required the addition of language stating that residents would not be deprived of a reasonable opportunity to attend meetings. Upon motion duly made and seconded, the Board voted unanimously to approve the Order Designating Offices/Meeting Places as presented.

INVESTMENT POLICY

Mr. Wallace presented the Order Regarding Annual Review of Investment Policy, a copy of which is attached hereto as an exhibit. He stated that the Investment Policy needed to be amended to comply with changes in the law. Upon motion duly made and seconded, the Board voted unanimously to approve the Order Regarding Annual Review of the Investment Policy as presented.

Mr. Wallace next presented and reviewed the Order Adopting Amended and Restated Investment Policy, a copy of which is attached hereto as an exhibit. After discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Order Adopting Amended and Restated Investment Policy as presented.

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



Secretary, Board of Directors

(SEAL)

