

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

September 29, 2020

THE STATE OF TEXAS

§
§
§

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, at Busy Bee Café, 4904 Broadway Street, Pearland, Brazoria County, Texas, open to the public, at 5:00 p.m. on the 29th day of September 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 present, thus constituting a quorum.

Also present were Ms. Brittnei Silva of Assessments of the Southwest, Inc., the District's Tax Assessor; Mr. Jaime Salinas, P.E. of Huitt Zollars, Inc., the District's Engineer; Ms. Stacey Wagner of Champions Hydro-Lawn, Inc., the District's Detention Maintenance contractor; Ms. Dana Davis of Myrtle Cruz Inc., the District's Bookkeeper, Mr. Walter Pastiak, a resident of Bella Vita; 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

Director McDonald led the meeting in the Pledge of Allegiance.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

The minutes of the meetings of the Board of Directors held on August 25, 2020 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. She reported that 99.41% of the District's 2019 tax levy had been collected, and she reviewed the Delinquent Tax Report, a copy of which is attached hereto as an exhibit. Ms. Silva stated no action was required on the Delinquent Tax Report at this time. 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 reported that the debt service payment due on September 1, 2020 had been made. She reviewed the second 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.

ENGINEER'S REPORT/DETENTION POND MAINTENANCE

Jaime Salinas reviewed the Engineering and Detention Maintenance Reports, copies of which are attached hereto as exhibits. He reported the September mowing had been completed, and fall over seeding and fertilization was planned for October. He informed the Board that the ponds were in good condition after Tropical Storm Beta.

Director McDonald informed the Board that the remote pond was very full, and he noted that Clear Creek drained very slowly. Mr. Salinas said that it was due to large water shed. Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report.

2020 TAX RATE RECOMMENDATION

John Wallace presented and reviewed the 2020 tax rate recommendation submitted by Rathmann & Associates, L.P., a copy of which is attached hereto as an exhibit. The Financial Advisor recommended the Board adopt a \$0.24 debt service rate and a \$0.03 maintenance and operation rate, for a total 2020 tax rate of \$0.27 per \$100 of assessed valuation. He then reviewed the tax rate approval process and discussed the District's taxable value with the Board. He also stated the District was classified as a "developed" district under the new amendments to the Tax Code. He noted that, due to recent changes in the statute, if the District adopts a rate exceeding the 3.5% voter-approval rate, an election would be automatically triggered.

Mr. Wallace stated the debt service cash flow at a rate of \$0.24 would provide about 75% coverage of the District's debt service. An analysis prepared by the Financial Advisor reflected a total debt service savings of \$3,659,339 due to refunding of seven series of Bonds. He then informed the Board the recommended rate was a two cent reduction from the 2019 rate. Upon motion duly made and seconded, the Board voted unanimously to authorize the Tax Assessor to publish the required notice of hearing and the Board's intent to adopt a \$0.27 per \$100 assessed valuation for the 2020 tax rate.

ARBITRAGE COMPLIANCE

Mr. Wallace presented for Board approval the Arbitrage Compliance Specialists, Inc. engagement letter for the District's Series 2016 Refunding Bonds, a copy of which is attached hereto as an exhibit. Following review, upon motion duly made and seconded, the Board voted unanimously to approve the engagement letter.

ATTORNEY'S REPORT

Mr. Wallace informed the Board that the Directors Election ballot drafts have been reviewed and the election will be held on November 3, 2020.

OTHER MATTERS

The October Board of Directors meeting will be held at Busy Bee Café.

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




Secretary, Board of Directors