

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

February 27, 2007

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 18 (the "District") of Brazoria County, Texas, met in regular session, open to the public, at 6:00 p.m. on the 27th day of February 2007, at the regular meeting place thereof, the Pearland Public Library, 3522 Liberty Drive, Pearland, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Brandon J. Shimek	President
O.E. (Mickey) McDonald	Vice President
Richard W. Wach	Secretary/Treasurer
Chad Thurman	Assistant Secretary
Terry L. Webb	Director

All directors were present, thus constituting a quorum.

Also present were Ms. Dana Davis of Myrtle Cruz, Inc., the District's Bookkeeper; Ms. Cathy Brittain of Assessments of the Southwest, Inc., the District's Tax Assessor/Collector; Mr. Steve Gardner of Huitt-Zollars, Inc., the District's Engineer; Mr. Aaron McGuire and Ms. Terri Brooks of R. West Development Co., Inc., a developer in the District; Ms. Nancy Kozanecki, representing the Pine Hollow Homeowners Association; Mr. Pierre Nys of Kirby Run Management, a developer in the District; Mr. Howard M. Cohen of Schwartz, Page & Harding, L.L.P., the District's Attorneys; Mr. John R. Wallace and Ms. Kimberlee K. Laird of Bacon & Wallace, L.L.P.

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.

APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors held on January 30, 2007 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve such minutes as presented.

PUBLIC COMMENTS

Nancy Kozanecki addressed the Board and requested that the District prepare a report for inclusion in her subdivision's newsletter once or twice a year.

SUPPLEMENTAL AUDIT

Mr. Cohen reported that the District's Auditor had approved MHI Partnership, Ltd.'s request for reimbursement of \$44,000 in impact fees. Upon motion duly made and seconded, the Board voted unanimously to table this matter until the next regular meeting.

INSURANCE RENEWAL

The Board reviewed a proposal for renewal of insurance with Texas Municipal League prepared by HARCO Insurance Services. The Board noted that the premium had been reduced to \$2,421. After discussion, on motion duly made and seconded, the Board voted unanimously to accept the proposal and to authorize the President to execute same on behalf of the Board and the District.

ATTORNEY RESIGNATION

The Board then considered the resignation of Schwartz, Page & Harding, L.L.P. as attorneys for the District. Director Shimek stated that the Board had been dissatisfied with the firm's services. Mr. Cohen said that he felt the firm had been misled by the Board. Director McDonald disclosed that his daughter-in-law is employed by Bacon & Wallace, L.L.P., whose proposal for legal services was on the agenda for the meeting. He said he would abstain from voting on any matters that would affect the District's contractual relationship with that firm. Mr. Cohen then presented a letter of resignation on behalf of his firm, a copy of which is attached hereto as an exhibit. After discussion, upon motion duly made and seconded, the Board voted to accept the resignation of Schwartz, Page & Harding, with Director Thurman voting against and Director McDonald abstaining. Mr. Cohen departed the meeting at this time.

BOOKKEEPER'S REPORT

Dana Davis presented the Bookkeeper's report, a copy of which is attached hereto as an exhibit. Ms. Davis reported that Amegy Bank would refund the wire fees charged in December and January. Ms. Davis reported that the March 1, 2007 debt service tax payment had been made. She reported that the District's Wells Fargo accounts would be closed in the near future and all accounts transferred to Amegy Bank. Ms. Davis then reviewed the 2005 bond summary and seven-month budget analysis. She also reported that a maintenance tax check in the amount of \$76,443.60 had been received from the Tax Assessor/Collector's office. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's report and the payment of the checks listed thereon.

TAX ASSESSOR/COLLECTOR'S REPORT

Cathy Brittain presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. Director McDonald requested clarification on the District's partial exemptions. Ms. Brittain explained that the exemptions were for District residents 65 and older or disabled, as indicated on the Delinquent Tax Attorney's report. She then presented and reviewed the delinquent tax roll. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's report and to authorize payment of the checks listed thereon.

ENGINEER'S REPORT

Steve Gardner presented the Engineer's report, a copy of which is attached hereto as an exhibit. Mr. Gardner first reported on the Villa D'Este, Section 2 development and said that the contract would be awarded to B & D Construction. He said that a Notice to Proceed had been sent to the contractor. Mr. Gardner said that the paving contractor should commence work by the end of the week.

With regard to the drainage improvements for the English Lakes Boulevard extension to serve the Towne Lake Estates subdivision, Mr. Gardner reported that the plans had been revised to widen the right-of-way. He reported that bids on the project were received on January 31, 2007, and he recommended award of the contract to Base Construction, the low bidder. Following review, upon motion duly made and seconded, the Board voted unanimously to approve the award of the drainage improvements project to Base Construction in the amount of \$135,960.

Mr. Gardner then reported that the construction contract for the culvert to cross Centennial Village had been awarded to David Wight.

With regard to the drainage ponds, Mr. Gardner reported that a letter had been sent to Brazoria Drainage District No. 4 ("Drainage District") requesting that they inspect and accept the ponds for maintenance.

With regard to detention pond maintenance, Mr. Gardner reported that no work had been performed by Champions Hydro-Lawn, Inc. during the months of January and February of 2007.

Mr. Gardner reported that the vegetation and debris had been cleared from the channels and ponds in Pine Hollow and that the contractor had substantially completed the rehabilitation of the ponds. Mr. Gardner also said that the contractor had regraded the overflow swale from Pine Valley Drive to Mary's Creek Bypass.

Mr. Gardner next presented a cost estimate of \$78,000 to complete the detention pond expansion in Pine Hollow Estates, Section 2.

Mr. Gardner then reported that he had met with the engineer for the Drainage District and the engineer for the City of Pearland regarding the Pine Hollow drainage improvements. He said

that the Drainage District was planning to move and widen a segment of Mary's Creek Bypass and that the District would not be able to raise the elevation of the existing weir from Pond No. 6 outfalling into the bypass.

Mr. Gardner then reported that he had reviewed the plans and visited the drainage reserve site with Directors McDonald and Wach at Bellavita at Green Tee, Section 5. Mr. Gardner said that the project was built in accordance with approved plans. He said that the outfall with corrugated metal pipe and broken concrete riprap was constructed in accordance with the Harris County Flood Control District's criteria. Mr. Gardner also stated that the swale had been cleared and mowed.

Mr. Gardner then reported that the construction of Scarsdale Boulevard was substantially complete and that the bridge was substantially complete pending cleanup. Mr. Gardner said that he expected the bridge and through access to be open in March 2007.

Mr. Gardner reported that conveyance to the District of the Bellavita drainage way had been executed.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report.

LEGAL SERVICES AGREEMENT

The Board next considered the proposal of Bacon & Wallace, L.L.P., to provide general counsel and bond counsel services to the District. A copy of the proposal is attached hereto as an exhibit. Director Shimek stated that from this point forward all District business must come before the Board. He said he did not want consultants to complete business of the District without approval from the Board of Directors. After a brief discussion by Mr. Wallace of his firm's proposal, and upon motion duly made and seconded, the Board voted to approve the proposal and contract of Bacon & Wallace, L.L.P., with Director McDonald abstaining.

DEVELOPERS' REPORT

Pierre Nys reported that he had a 6.3-acre undeveloped tract on the corner of Lawrence Place and that he was waiting for the City of Pearland to begin development in the area before developing his land. Mr. Nys said that he would appreciate it if the District would mow the area around the lake at Lawrence Place on a quarterly basis. Mr. Nys specified the need for finish mowers and not tractors. He also requested that the District notify him of the dates the contractor would mow the area, so that the homeowners association could arrange alternate dates for mowing between the quarterly services. The Board determined to get a quote for quarterly mowing around the lake until the subdivision is built out and asked Mr. Gardner to work with the contractor to provide notice of the mowing dates to the homeowners association.

Aaron McGuire reported that Renee McGuire would present a request at the next Board meeting for another bond issue. He said that 100 out of 142 lots had been sold in Bellavita, Section 5. He also said that the contractor would begin work on the concrete fence along

Scarsdale Boulevard soon and that paving would commence in the near future. Mr. McGuire reported that the builder in Villa D'Este, Section 2 would be Imperial Builders.

OTHER BUSINESS

The Board determined to hold its next three meetings on the dates of March 27, 2007, April 24, 2007 and May 22, 2007.

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

Secretary, Board of Directors

(SEAL)