

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

September 25, 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 25th day of September 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
Terry L. Webb	Assistant Secretary
Linda Mitchell	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, P.E., and Ms. Stephanie Canady of Huitt-Zollars, Inc., the District's Engineers; Mr. Johnny Williams and Mr. Tom Dillard of Champions Hydro-Lawn, Inc., the District's detention pond maintenance contractors; Ms. Nancy Kozanecki, representing the Pine Hollow Homeowners Association; Ms. Terry Brooks of R. West Development Co., Inc., a developer in the District; Ms. Julie McClung, a resident of the District; Mr. Kevin Lumpkin, representing the Ravenwood Homeowners Association; and Ms. Kim Laird 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 law, copies of which are attached hereto as exhibits, the meeting was called to order.

PLEDGE OF ALLEGIANCE

The Directors led the meeting in the Pledge of Allegiance.

PUBLIC COMMENTS FROM DISTRICT RESIDENTS

Julie McClung addressed the Board and asked about the drainage problem on Grovesnor Court. Director Shimek told the residents that the District's Engineer had sent a letter to Brazoria

Drainage District No. 4 regarding this issue and that it would be addressed in the Engineer's report.

Director Shimek then reported on an e-mail he had received from District resident, Margo Green, regarding a request for landscaping improvements to the esplanade in the Bellavita subdivision. Director Shimek said that he had spoken with a representative of the City of Pearland (the "City") and that the City has granted \$150,000 to pay for the esplanade landscaping improvements. Director Shimek then discussed using maintenance and operations funds for improvement projects within the District. He said that he thought the District should use these funds to work with the City to install aluminum fencing around the detention pond at Hyde Park in the Pine Hollow subdivision.

APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors held on August 28, 2007 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

Cathy Brittain presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. Ms. Brittain reported that the District had collected 98.64% of the 2006 tax levy. She also presented and reviewed with the Board the delinquent tax roll, a copy of which is attached to her report. She said that she would present a detailed Delinquent Tax Report, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorneys, at the next meeting.

Director Shimek asked if Ms. Brittain could report on foreclosures in the District. Ms. Brittain said that she would only have foreclosure information on properties with tax delinquencies. 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.

2007 TAX RATE

Director Shimek proposed a change in the 2007 tax rate from that discussed at the August 28, 2007 meeting. He proposed a debt service tax rate of \$0.53 and a maintenance and operations tax rate of \$0.06 per \$100 of assessed valuation, which he said he had discussed with the District's Financial Advisor. He said that the increased maintenance and operations tax would generate about \$30,000 per year, which would enable the District to contribute to improvement projects and amenities within the District. He said that this was one of the City's purposes for creating in-city municipal utility districts. The additional amenities thus provided would raise property values within the District. Upon motion duly made and seconded, the Board voted unanimously to authorize republication of a Notice of Public Hearing on Tax Rate based on a \$0.53 tax rate for debt service and a \$0.06 tax rate for maintenance and operations, for a total tax rate of \$0.59.

BOOKKEEPER'S REPORT

Dana Davis presented the Bookkeeper's report, a copy of which is attached hereto as an exhibit. Ms. Davis reported that the District had received a payment from the City for August 2007 in the amount of \$8,685. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's report and 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 reported on Villa D'Este, Section 2 and said that the facilities had passed inspection by the City and would need to be transferred to the District at the next meeting. He discussed Pay Estimate No. 4 from Century Engineering, Inc., in the amount of \$38,963, including Change Order No. 2 for extra inlets and remobilization to repair the sewer line, for Villa D'Este Section 2, which he had previously presented to the Board and which he recommended for payment. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 4, including Change Order No. 2.

Mr. Gardner then recommended for payment, pending receipt of supporting documentation, Pay Estimate No. 2 from REKHA Engineering in the amount of \$63,726.40, which had previously been presented to the Board, for work on the Centennial Village Culvert Crossing. Upon motion duly made and seconded, the Board voted unanimously to approve Pay Estimate No. 2, pending receipt of supporting documentation.

Mr. Gardner reported that he had sent a letter to Mike Yost of Brazoria Drainage District No. 4 (the "Drainage District") about the following issues: the outfall channel that takes the drainage from Lawrence Place subdivision; Mary's Creek Bypass Channel around Pine Hollow; Ravenwood Estates Detention Outfall into Cowart Creek; Towne Lake Estates Detention Outfall into C100-00-00; and assumption of detention pond maintenance by the Drainage District. Mr. Gardner said that he would attend the next meeting of the Drainage District on October 2, 2007 in order to bring up these issues and to find solutions. He suggested that one or two of the Board members attend as well. Director McDonald said that he would attend the meeting, and either Director Shimek or Director Mitchell tentatively agreed to attend.

Mr. Gardner then reported that the Drainage District had established a fee of \$10,000 per acre for acceptance of detention ponds for maintenance. He said that the cost to the District for all of the ponds would be approximately \$750,000. Mr. Gardner said that he planned to meet with the City of Pearland on October 1 to present the costs of detention pond maintenance. Nancy Kozanecki stated that the City is forming a committee to address this issue.

Stephanie Canady reported that Champions Hydro-Lawn, Inc. ("Champions") had resubmitted a proposal to maintain the detention ponds with corrected acreage to include: the overflow swale in Bellavita at Green Tee, Section 5; the Ravenwood, Section 2 north detention pond; the Ravenwood, Section 1 south detention area; and the Towne Lake Estates detention

pond from the District's boundary to the pump station. Ms. Canady reported that the total amount of the proposal from Champions to maintain all of the detention ponds was \$91,951.25 per year, which would include nine mowings, spring and fall fertilization and overseeding. Director Shimek requested that the fertilization of the Pine Hollow, Section 9, be removed from the proposal. Following review, upon motion duly made and seconded, the Board voted unanimously to approve the proposal with the removal of the Pine Hollow pond fertilization to be effective October 1.

Johnny Williams introduced Tom Dillard to the Board and the consultants and said that Mr. Dillard will be attending future meetings of the District on behalf of Champions.

Mr. Gardner reported that the detention pond work in the Pine Hollow subdivision had been completed.

Mr. Gardner reported that the engineering report for the bond application is almost complete. He said that he was waiting on requested items from the developer to finish.

With regard to the signage needed for the District, Mr. Gardner presented a proposal from Signtec in the amount of \$5,750 to fabricate and install District name signs at the principal entrances to the District boundaries to comply with Texas Commission on Environmental Quality requirements. Upon motion duly made and seconded, the Board voted unanimously to approve the proposal from Signtec.

Director Shimek then requested that the developer's reports include the builders' reports.

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

RESOLUTION AUTHORIZING BOND APPLICATION

Ms. Laird then presented and reviewed with the Board a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds (the "Resolution"), a copy of which is attached hereto as an exhibit. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented.

INVESTMENT POLICY REVIEW

Pursuant to the requirements of the Public Funds Investment Act, Ms. Laird presented for the Board's review and approval an Order Regarding Annual Review of Rules, Policies and Code of Ethics for the Investment of District Funds (the "Order"). Following review and discussion, upon motion duly made and seconded, the Board voted unanimously to approve the Order as presented, a copy of which is attached hereto as an exhibit.

DEVELOPER'S REPORT

Terry Brooks reported that the facilities in the Villa D'Este subdivision had been accepted by the City on September 19, 2007. She said the builder in the subdivision is Imperial Homes. Ms. Brooks reported that the homes would be sized from 2,500 square feet to 2,700 square feet, with an average price of \$250,000. She said that the current housing market is better for larger homes. She said that she would provide the District's Engineer with the bond application report information for Bella Vita, Section 5, by Monday, and that she would send the information for Villa D'Este, Section 2, as soon as she is able.

PUBLIC COMMENTS FROM NON-DISTRICT RESIDENTS

Ms. Kozanecki reported that drainage plans have been posted on the Pine Hollow subdivision website. She said that the drainage project would be bid in late winter and that construction would commence in late spring. She said that they were awaiting responses from the pipeline companies.

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

Secretary, Board of Directors

(SEAL)