

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

November 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 November 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. Tom Dillard of Champions Hydro-Lawn, Inc., the District's detention pond maintenance contractors; Ms. Sherri Greenwood of BKD, LLP, the District's Auditor; Ms. Renee McGuire of R. West Development Co., Inc., a developer in the District; Ms. Nancy Kozanecki, representing the Pine Hollow Homeowners Association; Ms. Sandra Soule, representing the Centennial Village Homeowners Association; Ms. Julie McClung, a resident of the District; 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 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

Director Shimek requested that people cease criticizing the District. He said that the District has a good track record and an open door policy. Director Shimek stated that the District does not plan to create a website as that would be an unnecessary expense. Director Shimek asked that the residents refrain from contacting the District's consultants but to contact the Board of Directors directly if they have comments or complaints. He also requested that the residents attend the Board meetings, if so inclined. Director Shimek went on to report that the District's information is public and that the Board members serve a public service. He said that the common goal is to make the District successful.

APPROVAL OF MINUTES

Minutes of the meeting of the Board of Directors held on October 23, 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 2007 tax statements had been mailed to District taxpayers and collections have commenced. She presented and reviewed with the Board the Delinquent Tax Report, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorneys, a copy of which is attached hereto as an exhibit. She noted that certain accounts have deferrals for property owners that are 65 years of age or older. 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.

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's Operating Fund is low in anticipation of 2007 maintenance tax receipts. She said the checks presented for approval include payment for a large invoice from Champions Hydro-Lawn, Inc. ("Champions"). Tom Dillard said that Champions is willing to be flexible in receiving payment from the District. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's report and payment of the checks listed thereon; including the check to Champions.

ENGINEER'S REPORT

Steve Gardner presented the Engineer's report, a copy of which is attached hereto as an exhibit. Mr. Gardner reported that he is awaiting the final pay estimate from Century Engineering for the work on Villa D'Este, Section 2. Mr. Gardner said that when the pay estimate is received he will be able to finalize the bond application.

Mr. Gardner reported that since the English Boulevard left turn lane project in Towne Lake subdivision has not been bid or constructed, it will not be included in the bond application.

Mr. Gardner reported that the Centennial Village culvert crossing project has been completed.

Stephanie Canady and Mr. Dillard then reported on the detention pond maintenance. Mr. Dillard reported that he had finally located the Bellavita, Section 5 event swale and it will be on the regular mowing schedule. The Board reported that it did not wish to have the Lawrence Place pipeline overseeded or fertilized. Ms. Canady said she will remove this work from the contract with Champions.

Mr. Dillard reviewed the payment options for the 2008 contract with Champions. He said the District could make equal monthly payments over the 12 months, or spread out the large invoices in the last quarter of the year. He said if the District terminated the contract, Champions would need to be compensated for the actual work performed through the termination date. Mr. Dillard said that he would submit a contract to the District's Attorney for review. The Board agreed to consider the 2008 contract with Champions at the December meeting.

Mr. Gardner reported that Brazoria Drainage District No. 4 declined to pay the District for any maintenance of the detention ponds.

Mr. Gardner reported on the Pine Hollow Estates, Section 2 pond expansion and noted that the Corps of Engineers permit has been submitted under a nationwide permit for the Bypass Redesign. He said that this should reduce the approval time by 6 to 9 months.

Mr. Gardner then reported on the Lawrence Place street flooding. He said Brazoria Drainage District No. 4 suggested the District perform a drainage study. The estimated engineering fee for a full hydraulic study would be about \$20,000. The engineering fee for the pipe maintenance review would be \$3,000. Three tracts are required for the downstream channel improvements; one has been acquired and two are pending. Mr. Gardner did not recommend performing an hydraulic study. Mr. Gardner reported that the as-built plans of Grovesnor Court were sent to the City Engineer, Narcisco Lira, for review.

Mr. Gardner next reported that the Villages of Towne Lake, a project south of Towne Lake Estates, is under construction. Upon questioning the developer, Mr. Gardner discovered that the current plans provide for an expanded pond to the south that would eliminate the need for the pump station. Mr. Gardner reported that his firm will obtain the plans from R. West Development Co., Inc. and Rekha Engineering to determine the proposed impact. Mr. Gardner said he will review the impact to the District and make a recommendation.

Mr. Gardner reported that the horses that were roaming the back detention pond have been penned. Mr. Gardner reported that he is awaiting the MS4 requirements with regard to the municipal separate storm sewer system.

With regard to the new District signage, Mr. Gardner recommended payment to the contractor, subject to Ms. Canady's final inspection. Mr. Gardner reported that two residents in Pine Hollow Estates, Section 2 had complained about the signs.

Mr. Gardner reported that the bond application report is nearing completion, awaiting the final pay estimate for Villa D'Este, Section 2.

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

DEVELOPER'S REPORT

Renee McGuire reported that the turn lane in front of Towne Lake subdivision is currently her only construction project. Ms. McGuire reported that homebuilding in Villa D'Este, Section 2 should commence in January 2008.

COMMUNITY IMPROVEMENT PROJECTS

The Board tabled the agenda item concerning community improvement projects.

DISTRICT NAME CHANGE

Mr. Wallace reported that it is not a legal problem for the District to have the name Brazoria County Municipal Utility District No. 18, even though part of the District's land falls within Harris County.

AUDIT REPORT

Sherri Greenwood presented and reviewed with the Board a draft of the District's June 30, 2007 Audit Report. Ms. Greenwood reported that the District has missed the deadline for filing of the Audit Report with the Texas Commission on Environmental Quality. Ms. Greenwood then informed the Board that her firm would present a management letter regarding SAS 112 with a disclosure of material weakness citing the Board has no expertise to prepare or oversee the preparation of the District's financial statements. Following review, upon motion duly made and seconded, the Board voted unanimously to approve the draft Audit Report, subject to final review and comments.

PUBLIC COMMENTS FROM NON-DISTRICT RESIDENTS

Ms. Kozanecki reported that Pine Hollow Homeowners Association would be willing to share their website with the District and she volunteered to take care of updating the website regularly. Mr. Wallace reported that there would be more legal requirements for posting of the certain notices if the District uses a website. Ms. Kozanecki reported that constant contact shows that a lot of people look at the municipal utility district page on their website.

OTHER MATTERS

Director Shimek reported that the City of Pearland approved and allocated \$150,000 for the esplanade project which is moving forward. Director McDonald said that the City was told the District denied funding for this project; however, this was never the case.

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

Secretary, Board of Directors

(SEAL)