

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

January 3, 2017

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 26 (the "District") met in regular session, open to the public, on the 3rd day of January, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael Parks	President
Herbert Fain	Vice President
Melissa Slade	Secretary
Caralynn Prade	Assistant Vice President
Fred E. Weary, Jr.	Assistant Secretary

and all of the above were present except Director Weary, thus constituting a quorum.

Also present at the meeting were Christina Garcia of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; Officer Natisha Lucas of the City of Pearland ("City") Police Department; James Ross of LJA Engineering, Inc.; and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 6, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the December 6, 2016, regular meeting, as presented. Director Slade seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no members of the public who wished to address the Board.

APPROVE AUDIT

Ms. Brook reported the draft audit for fiscal year ending September 30, 2016, will be presented at next month's Board meeting.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report, budget comparison, debt service payment schedule, and list of checks presented for approval, a copy of which is attached.

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") winter conference in Austin on January 27-28, 2017. Director Parks requested approval of one additional per diem for an additional day he will attend the winter conference to represent the District as he serves as AWBD President.

Pursuant to the District's Investment Policy, Ms. Garcia presented the annual disclosure statements for the District's bookkeeper and Investment Officer. Ms. Brook explained the bookkeeper and Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

After review and discussion, Director Prade moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Christina Garcia's disclosure statement as the District's bookkeeper; (3) accept Mary Jarmon's disclosure statement as the District's Investment Officer; (4) direct that the disclosure statements be filed appropriately and retained in the District's official records; (5) establish maximum limits of three director fees of office, two nights of lodging, and reasonable and necessary meals for any director attending the AWBD winter conference, submitted in accordance with the travel guidelines; and (6) approve one additional director fee for Director Parks. Director Slade seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson reviewed the tax assessor/collector's report, including the unpaid accounts tax roll and a report of delinquent accounts provided by the District's delinquent tax attorney. A copy of the tax assessor/collector's report is attached. He noted 48.95% of the 2016 taxes have been collected as of December 31, 2016. Following review and discussion, Director Prade moved to approve the tax assessor/collector's report. Director Fain seconded the motion, which carried by unanimous vote.

## ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. Mr. Ross responded to questions from the Board regarding drainage maintenance in connection with the expansion of State Highway 288. Mr. Ross stated he will contact the appropriate party with the Board's concerns.

Following review and discussion, the Board concurred to accept the engineer's report.

## RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

There was no discussion on this matter.

## SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for SCR.

## ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft of the notice for submission to the Shadow Creek Community Newsletter and The Connection newsletter and considered updates for the District's website. Following review and discussion, the Board directed ABHR to post the notice to the newsletter, as submitted, and update the website as needed.

## ATTORNEY'S REPORT

Ms. Brook stated that pursuant to Chapter 176 of the Texas Local Government Code, the District must maintain a List of Local Government Officers. Following review and discussion, Director Prade moved to approve and authorize execution of the 2017 List of Local Government Officers and direct that the List be retained in the District's official records. Director Fain seconded the motion, which passed by unanimous vote.

Ms. Brook reported on the District's post-issuance compliance activities during the prior calendar year related to bond financings. She stated that no action is required at this time.

Ms. Brook stated ABHR is updating the District's 2017 Information Kit and will present a draft at next month's Board meeting.

Ms. Brook stated the District's insurance policies will expire on March 19, 2017. After discussion, the Board directed ABHR to request a renewal proposal from the District's current provider for consideration at next month's meeting.

## STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

## REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Garcia reported the updated mileage reimbursement rate, as established by the Internal Revenue Service.

Ms. Brook reviewed updated information regarding the Blue Ridge Landfill (the "Landfill") distributed to the Board in advance of today's meeting. The Board requested ABHR send a letter on behalf of the Board notifying the Mayor of the City of the Board's concerns regarding the Landfill.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING AND AUTHORIZE LEGAL SERVICES ENGAGEMENT LETTER

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

  
Secretary, Board of Directors

(SEAL)



ACTION LIST

1. ABHR will submit the approved notice to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. ABHR will request a proposal for renewal of the District's insurance policies from its current provider.
4. Mr. Ross will report any concerns the Board has regarding drainage maintenance in connection with expansion of State Highway 288.
5. ABHR will send a letter on behalf of the Board notifying the City Mayor of the Board's concerns regarding the Landfill.

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