

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

June 6, 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 6th day of June, 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, thus constituting a quorum.

Also present at the meeting were Constance Fain, a resident of the District; Aly Long and Paul Wisdom of Shadow Creek Ranch Maintenance Association ("SCRMA"); Erin 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 Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 2, 2017, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the May 2, 2017, regular meeting, as presented. Director Fain seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forward to address the Board.

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. Ms. Garcia noted check no. 4224 payable to Director Parks for attendance at the monthly park committee meeting is not included in her report. Director Prade requested an advance in the amount of \$600.00 to pay for three nights of lodging to attend the Association of Water Board Directors ("AWBD") summer conference. After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills, including check no. 4224 and check no. 4225 payable to Director Prade for advance payment of lodging to attend the AWBD summer conference. Director Fain seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Director Weary, Ms. Humphries, and Officer Lucas entered the meeting.

Mr. Patterson reviewed the tax assessor/collector's report, including the unpaid accounts tax roll. A copy of the tax assessor/collector's report is attached. He noted 98.15% of the 2016 taxes have been collected as of May 31, 2017. Following review and discussion, Director Prade moved to approve the tax assessor/collector's report. Director Weary seconded the motion, which carried by unanimous vote.

Mr. Patterson reviewed a Certificate of 2017 Estimated Value of the District from Brazoria County Appraisal District in the amount \$1,107,931,138. A copy of the Certificate is attached.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Brook stated that as of July 1, 2017, outstanding 2016 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent taxes. Following discussion, Director Prade moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2016 taxes as of July 1, 2017. Director Weary 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.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported that the temporary ball fields are now under the management of the City.

SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for SCR and responded to questions from the Board.

Director Fain reported Officer Lucas was awarded a Life Saving Award and a Chief of Police Citation Award for outstanding service to the City Police Department. The Board expressed appreciation to Officer Lucas for her service to the District.

Officer Lucas announced she is pursuing the rank of detective, which limits her availability to serve the District. She requested an amendment to the Security Patrol and Coordination Services Agreement to reflect a monthly flat rate for compensation serving as Coordinator. After discussion, the Board concurred to defer the matter until the next regularly scheduled Board meeting.

Officer Lucas left the meeting. Director Slade entered the meeting.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice and a website update distributed to the Board in advance of today's meeting. Ms. Brook noted Landfill updates are included. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Following review and discussion, the Board concurred to authorize publication of the newsletter notice and submission of the website update, as presented.

FINANCIAL AND BOOKKEEPING MATTERS CONT'D

Director Slade requested an advance to pay for three nights lodging to attend the AWBD summer conference. Based on a motion made by Director Prade and seconded by Director Weary, the Board unanimously approved check no. 4226 payable to Director Slade in the amount of \$813.03 to pay for three nights lodging to attend the AWBD summer conference.

ATTORNEY'S REPORT

Ms. Brook stated OmniCap Group LLC has completed the Interim Excess Earnings Report on the Series 2012 Refunding Bonds (the "Report"). She stated the Report reflects that no yield reduction payment is due to the Internal Revenue Service.

Ms. Brook reported comments on the Agreed Order issued by the Texas Commission on Environmental Quality ("TCEQ") to the Landfill were drafted by Danny Worrell of Katten Muchin Rosenman LLP ("KMR") and distributed to the Board and the Board of Directors of Brazoria-Fort Bend County Municipal Utility District No. 1 for review prior to submittal to the TCEQ in advance of the comment deadline. Ms. Brook reported on communication with Mr. Worrell regarding the Boards' comments

and related matters. Ms. Brook stated the District received an engagement letter from KMR which reflects authorization at the May 2, 2017, meeting to engage KMR for legal representation regarding the Landfill matter. Discussion ensued. Following discussion and based on a motion made by Director Prade and seconded by Director Fain, the Board unanimously ratified execution of the KMR engagement letter.

Director Prade reported she received a response from the TCEQ regarding her letter commenting on the Agreed Order. The Board reviewed a copy of Director Prade's letter commenting on the Agreed Order and thanked her for her efforts on behalf of the District.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Prade reported she was sent multiple erroneous late notices from the Homeowner's Association ("HOA") regarding payment of annual dues. Ms. Long confirmed Director Prade's account was paid on time and the notices were sent in error. She stated she will send Director Prade a statement indicating a zero balance for annual dues. The Board noted Director Prade has been notified erroneously for the last three years and expressed its concern about HOA procedures and possible erroneous payments and letters sent to other District residents. Ms. Long stated she will review the payment processing of annual dues and report back to the Board.

Mr. Wisdom reported on SCRMA matters. Ms. Humphries left the meeting.

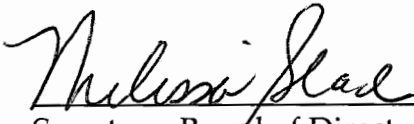
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

MEETING SCHEDULE

The Board considered rescheduling the July Board meeting due to the Independence Day holiday. After discussion, the Board concurred to reschedule the next Board meeting for July 11, 2017, at 10:30 a.m. at the offices of ABHR.

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 revised notice to the community newsletters.
2. ABHR will submit updates to the District's website as appropriate.
3. Ms. Long will send a HOA statement of annual dues reflecting a \$0.00 balance to Director Prade.
4. Ms. Long will review HOA annual dues payment processing and report back to the Board.

LIST OF ATTACHMENTS TO MINUTES

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