

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

July 11, 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 11th day of July, 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 Ed Mears and Gavin Parks, members of the public; Aly Long, Paul Wisdom, and Raquel Rodriguez of Shadow Creek Ranch Maintenance Association ("SCRMA"); Christina Perry of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; Taylor Baumgartner 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 June 6, 2017, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the June 6, 2017, regular meeting, as presented. Director Fain seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Mr. Mears expressed gratitude to the Board for its support regarding the Blue Ridge Landfill ("Landfill") matter. He requested the Board continue to provide support until the matter is resolved.

DEVELOPMENT IN THE DISTRICT

Mr. Baumgartner stated he received telephone inquiries regarding commercial development in the District.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. Ms. Perry noted the submitted Directors' expenses are in accordance with the District's travel reimbursement guidelines. After review and discussion, Director Prade moved to: (1) approve reimbursement of eligible expenses for the summer conference, less any advances received, which were submitted in accordance with the District's travel and reimbursement guidelines; and (2) authorize all interested directors to attend the AWBD winter conference. Director Fain seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry 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. Following review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills. Director Fain 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. A copy of the tax assessor/collector's report is attached. He noted 98.68% of the 2016 taxes have been collected as of June 30, 2017. 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. Baumgartner distributed and reviewed the engineer's report, a copy of which is attached.

SECURITY SERVICES REPORT

The Board reviewed the attached written security report for SCR. Director Parks reported additional information regarding certain incidences on the report provided by Officer Lucas.

Ms. Brook reviewed an amended Security Patrol and Coordination Services Agreement ("Agreement") between the District, Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1"), and Officer Lucas reflecting a \$900 monthly flat rate for compensation as Coordinator of Security Services. Ms. Brook reported the Agreement was approved at the most recent BFB 1 Board meeting. Following review and discussion, and based on a motion made by Director Prade and seconded by Director

Fain, the Board unanimously approved the Agreement.

Director Slade and Ms. Humphries 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 stated the notice and website will be further updated to reflect recent events related to the Landfill. 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 updates with Landfill updates.

#### ATTORNEY'S REPORT

Ms. Brook reported on the Texas Commission on Environmental Quality ("TCEQ") hearing ("Hearing") regarding the Agreed Order ("Order") issued to the Landfill in Austin on July 7, 2017. Danny Worrell of Katten Muchin Rosenman LLP ("KMR"), who prepared comments for the District and BFB 1, had recommended the Districts authorize Board members to attend the Hearing.

Director Parks reported that he and BFB 1 Director Heather Zayas attended the Hearing and spoke on behalf of District residents. Director Parks reported the Hearing also was attended by Ms. Hobson of KMR, Mr. Mears, City representatives Trent Epperson and Jon Branson, and State Representative Ed Thompson, among others. Director Parks reported the Order was approved and the Landfill is required to have a compliance plan and implementation schedule ("Plan"). Director Parks reported the City intends to file a lawsuit against the Landfill.

Discussion ensued. Following discussion, Director Prade moved to authorize extension of KMR's engagement with the District to monitor the Landfill's Plan compliance and provide reports of such to Representative Thompson, contingent on cost sharing with BFB 1 and requesting cost sharing from Brazoria County Municipal Utility District No. 34 ("BC 34"). Director Fain seconded the motion, which passed unanimously. Ms. Brook stated she will provide meeting information to the Directors so any interested Directors can attend the next BC 34 meeting to make such request.

Mr. Patterson left the meeting.

Ms. Humphries updated the Board on legislative matters pertaining to the 85th Regular Session of the Texas Legislature that will impact the District.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Mr. Wisdom reported on SCRMA matters. The Board discussed and suggested AWBD improvements, including AWBD Board of Trustees absentee voting; an AWBD convention event schedule app; and more AWBD advocacy and information dissemination.

FINANCIAL AND BOOKKEEPING MATTERS CONT.

Ms. Perry stated the AWBD reimbursement documentation submitted by Director Slade is in accordance with the District's travel reimbursement guidelines. She noted the mileage will be adjusted to reflect the most direct route to and from the conference plus the most direct route between Director Slade's hotel and the conference.

After discussion, Director Prade moved to approve (1) reimbursement of eligible AWBD expenses submitted by Director Slade; (2) reimbursement of eligible Hearing expenses submitted by Director Parks; and (3) payment to and engagement of KMR for preparation. Director Fain seconded the motion, which passed unanimously.

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.

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



  
Secretary, Board of Directors

ACTION LIST

1. ABHR will revise the notice with Landfill updates and submit the notice to the community newsletters.
2. ABHR will submit updates to the District's website as appropriate.
3. Ms. Brook will provide BC 34 meeting information to the Districts.
4. A Board member will attend the next BC 34 meeting and request cost sharing for the engagement of KMR as discussed.

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