

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

September 28, 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 28th day of September, 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 Ed Mears, a resident of the District; Erin Garcia of Myrtle Cruz, Inc.; Tayo Ilori of McGrath & Co., PLLC; Officer James White of the City of Pearland ("City") Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); 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 August 1, 2017, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the August 1, 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 stated she contacted the City to report that the District has not received a rebate since June, 2017. She noted she has not received a response.

Director Weary entered the meeting.

The Board considered authorizing the cash redemption of certain maturities of the Series 2006 Bonds using available debt service funds.

Mr. Ilori presented a proposal for preparation of the District's audit for fiscal year ending September 30, 2017, at an estimated cost of \$11,500, which is the same fee as last year.

Ms. Brook presented a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified banks with which the District may invest funds. She noted the District's bookkeeper provided an updated list of banks, which will be attached as an exhibit to the Resolution.

Mr. Mears entered the meeting.

After review and discussion, Director Prade moved to (1) approve the bookkeeper's report and payment of the bills; (2) authorize cash redemption of certain maturities of the Series 2006 Bonds using available debt service funds; (3) authorize McGrath to proceed with preparation of the audit for fiscal year ending September 30, 2017, for an estimated cost of \$11,500 and pursuant to the District's engagement letter; (4) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. 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 and the delinquent tax attorney's quarterly report. A copy of the tax assessor/collector's report is attached. He noted 99.45% of the 2016 taxes have been collected as of August 31, 2017.

Ms. Brook stated ASW published notice of the public hearing to be held at today's meeting regarding adoption of the District's 2017 tax rate. Director Parks then opened the public hearing. No members of the public came forward to make comments. Director Parks closed the public hearing. The Board inquired as to whether there is a need to consider any Hurricane Harvey related engineering or construction costs while considering the 2017 tax rate allocated for operations and maintenance. Mr. Ross stated such costs would be a capital project expense. Mr. Ross responded to a

question from Mr. Mears regarding outfall flow from any Brazoria-Fort Bend County Municipal Utility District No. 1 drainage.

Ms. Brook presented an Order Levying Taxes reflecting a total 2017 tax rate of \$0.69 per \$100 assessed valuation, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance.

Ms. Brook then presented an Amendment to Information Form reflecting the newly adopted tax rate. Ms. Brook stated the Amendment will be filed with Brazoria County and the Texas Commission on Environmental Quality.

Following review and discussion, Director Prade moved to (1) approve the tax assessor/collector's report; (2) adopt the Order Levying Taxes; (3) authorize execution of the Amendment to Information Form; and (4) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS, CONT.

Ms. Garcia reviewed a proposed budget for fiscal year ending September 30, 2018, including the adopted 2017 maintenance and operations tax. Following review and discussion, Director Prade moved to adopt the proposed budget for fiscal year ending September 30, 2018, as submitted. Director Fain seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer White reviewed the attached written security report for Shadow Creek Ranch ("SCR") for the months of August and September and responded to questions from the Board. Discussion ensued regarding the City Police Department's community outreach.

ENGINEERING MATTERS

Ms. Humphries entered the meeting. Mr. Ilori left the meeting.

Mr. Ross distributed and reviewed the attached engineering report, which includes exhibits indicating Hurricane Harvey's effects on Shadow Creek Ranch ("SCR"). Mr. Ross discussed the SCR drainage system design and performance with regard to 3 and 100 year rain events, floodplain management requirements, and District and homeowners association responsibilities. He noted the SCR drainage system performed as designed during Hurricane Harvey. Discussion ensued.

Mr. Ross stated no Hurricane Harvey damage to the wastewater treatment plant expansion was reported by the City.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice for November distributed to the Board in advance of today's meeting. The Board considered website updates and reviewed an analytics report on the prior month's website activity, a copy of which is attached. Following review and discussion, the Board concurred to authorize publication of the newsletter notice, as submitted. Ms. Brownlee noted the standard newsletter notice was submitted for the month of October.

ATTORNEY'S REPORT

No additional report was presented.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

The Board reviewed correspondence from SCR developers to Shadow Creek Ranch Maintenance Association ("SCRMA") Board of Directors and FirstService Residential representatives regarding the SCR lake system and recreational usage. Discussion ensued. The Board made an inquiry regarding the District's responsibility regarding the District's detention facilities. Ms. Humphries stated the District has an interest in preventing any interference with the District's detention facilities' drainage and the agreement with SCRMA prohibits them from such interference.

The Board discussed the 2017 AWBD Fall Seminar.

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.

(SEAL)



[Handwritten Signature]
Asst. Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the notice to the community newsletters.
2. ABHR will submit updates to the District's website as appropriate.

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report	2
Security report	3
Engineering report.....	3
Website Analytics Report	4