

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

January 8, 2019

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 9th day of January, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Caralynn Prade	President
Melissa Slade	Vice President
Edward T. Mears	Secretary
Fred E. Weary, Jr.	Assistant Vice President
Marie Ferguson	Assistant Secretary

and all of the above were present, thus constituting a quorum. Director Mears was present via teleconference.

Also present at the meeting were Meni Mancini and Dimitris Chrysochoou of TradeWorks, by teleconference; Atira Horton, a member of the public; Taylor Baumgartner, of LJA Engineering, Inc. ("LJA"); Brittni Silva of Assessments of the Southwest, Inc. ("ASW"); Crystal Horn of McGrath & Co., PLLC ("McGrath"); Officer Natisha Lucas of the City of Pearland (the "City") Police Department; and Hannah Brook and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

PRESENTATION FROM STORM MAINTENANCE AND MONITORING AND TRADEWORKS

Ms. Mancini and Mr. Chrysochoou gave a presentation regarding their company and work on a process that aims to reduce odors and emissions from various sites, including landfills. Their presentation included information requested to be provided to the Board in order to be further educated on this information as it relates to the Blue Ridge problem. This information has previously been proved to State Representative Ed Thompson's office for consideration. After discussion, the Board directed Director Mears to coordinate with TradeWorks regarding Blue Ridge Landfill odor problem, as he is working with non-profits on the matter.

Officer Lucas and Ms. Horton entered the meeting.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

The Board did not convene in executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES AND APPROVE ANY NECESSARY ACTIONS RELATED TO SECURITY REPORT, AND APPROVE ANY NEW SECURITY PATROL AGREEMENTS

Officer Lucas reviewed the written security report for Shadow Creek Ranch, provided in advance of the meeting, and responded to questions from the Board.

MINUTES

The Board considered approving the minutes of the December 12, 2018, regular meeting, which were distributed to the Board in advance of the meeting. After review and discussion, Director Slade moved to approve the minutes of the December 12, 2018, regular meeting, as presented. Director Ferguson seconded the motion, which passed unanimously.

NEWSLETTER AND WEBSITE MATTERS

The Board reviewed a draft newsletter notice distributed in advance of today's meeting. It was the consensus of the Board to add a safety tip and approve the newsletter notice, as amended.

The Board 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 ABHR to submit: (1) the newsletter notice for publication; and (2) any website updates as posted articles become outdated.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

AUDIT FISCAL YEAR END SEPTEMBER 30, 2018.

Ms. Horn distributed and reviewed a draft of the audit for fiscal year end September 30, 2018. Following review and discussion, Director Weary moved to approve the audit for fiscal year end September 30, 2018, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Ferguson seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Silva distributed and read the bookkeeper's report on behalf of Erin Garcia of Myrtle Cruz, Inc., including the investment report, budget comparison, debt service payment schedule, and list of checks presented for approval, a copy of which is attached.

Ms. Brook stated that, in accordance with the District's Investment Policy, Erin Garcia as the bookkeeper and Mary Jarmon as the Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission and the District Records and updated whenever necessary.

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 25-27, 2018. The Board discussed advanced for Directors Prade and Slade.

After review and discussion, Director Slade moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Erin 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) authorize an advance for the conference expenses for Directors Prade and Slade as discussed, 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. Director Ferguson seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Silva reviewed the tax assessor/collector's report, including the unpaid accounts tax roll. A copy of the tax assessor/collector's report is attached. She noted

46.01% of the 2018 taxes have been collected as of December 31, 2018. Following review and discussion, Director Slade moved to approve the tax assessor/collector's report. Director Ferguson seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Baumgartner reviewed an engineer's report, a copy of which is attached.

Mr. Baumgartner updated the Board regarding the status of design of a water line extension that will serve the Shadow Creek Ranch Senior Housing Development. Mr. Baumgartner stated that bids were received for construction of the water line extension to serve Shadow Creek Ranch Senior Housing Development. He recommended that the Board award the contract to AR Turnke Construction Company, Inc. ("AR Turnke") in the amount of \$105,262.00. The Board concurred that, in its judgment, AR Turnke was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Baumgartner next updated the Board regarding the status of the City's expansion of the wastewater treatment plant.

Following review and discussion, Director Ferguson moved to: (1) approve the engineering report and (2) award the contract for construction of the water line extension to serve Shadow Creek Ranch Senior Housing Development to AR Turnke in the amount of \$105,262.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and any endorsements provided by the contractor. Director Slade seconded the motion, which passed by unanimous vote.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Slade stated that she is scheduled to meet with CenterPoint Energy regarding lighting updates on the District's trails and streets, in February.

ATTORNEY'S REPORT

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.

The Board reviewed a draft of the District's 2018 Information Kit. The Board directed ABHR to make the requested revisions provide a revised draft at the next regularly scheduled meeting.

Ms. Brook stated the District's insurance policies will expire on March 19, 2019. After discussion, the Board directed ABHR to solicit proposals from HARCO Insurance Services and McDonald & Wessendorff Insurance, as well as request a renewal proposal from the District's current provider for consideration at next month's meeting.

BLUE RIDGE LANDFILL ODOR MATTERS

Director Mears updated the Board regarding the Blue Ridge Landfill matters.

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 this executive session.

MEETING SCHEDULE

The Board discussed the January meeting schedule and concurred to hold the regular meeting on February 5, 2019, at 11:00 a.m. at the offices of ABHR.

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

(SEAL)



Secretary, Board of Directors

ACTION LIST

1. Ms. Smiley will submit the newsletter notice to the community print newsletters.
2. Ms. Smiley will submit updates to the District's website, as appropriate.
3. Director Slade will work with CenterPoint Energy and the City to prepare a proposal for street/trail lighting improvements.

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