

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

March 5, 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 5th day of March, 2019, 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:

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 except Director Slade, thus constituting a quorum.

Also present at the meeting were David Patterson of Assessments of the Southwest, Inc. ("ASW"); Christina Perry of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Justin Klump of Storm Water Solutions, LLC ("SWS"); and Lynne Humphries, Hannah Brook and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 5, 2019, regular meeting, which were distributed to the Board in advance of the meeting. After review and discussion, Director Ferguson moved to approve the minutes of the February 5, 2019, regular meeting, as revised. Director Mears seconded the motion, which passed unanimously.

NEWSLETTER AND WEBSITE MATTERS

The Board reviewed a draft newsletter notice distributed in advance of today's meeting. 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ABHR to submit: (1) the newsletter notice for publication; and (2) any website updates as posted articles become outdated.

Discussion ensued regarding the joint website shared with Brazoria-Fort Bend County No. 1 ("BFB 1"). The Board directed ABHR to coordinate with Off Cinco to remove the District from the joint website.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry 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 took no action regarding the reimbursement of eligible expenses for the winter conferences.

Ms. Brook presented an Amended Travel Reimbursement Guidelines ("Amended Travel Guidelines") for the Board's consideration. The Board considered amending the District's Travel Reimbursement Guidelines to establish a deadline for Directors' submittal of receipts for authorized expenses at any AWBD conference and for the repayment of Director advances to the District for any amounts exceeding the authorized expenses incurred at any AWBD conference.

After review and discussion, Director Mears moved to (1) approve the bookkeeper's report and payment and (2) adopt the Amended Travel Guidelines and direct that the Amended Travel Guidelines be filed appropriately and retained in the District's official records. Director Ferguson 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 97.47% of the 2018 taxes have been collected as of February 28, 2019. Following review and discussion, Director Mears moved to approve the tax assessor/collector's report. Director Ferguson seconded the motion, which passed unanimously.

Officer Lucas and Director Weary entered the meeting.

ENGINEERING MATTERS

Ms. Brook distributed and reviewed the engineer's report, a copy of which is attached, in his absence.

Following review and discussion, Director Mears moved to approve the engineer's report. Director Ferguson seconded the motion, which passed unanimously.

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 this 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.

STORM WATER PERMIT TXRQ40000; YEAR 5 ANNUAL REPORT

Mr. Klump updated the Board on the District's Storm Water Management Plan ("SWMP"). He distributed and reviewed the Year 5 annual report for the SWMP and a summary of the Texas Commission on Environmental Quality ("TCEQ's") permit renewal process for the Texas Pollutant Discharge Elimination System General Permit No. TXR040000, Small MS4 (Phase II) General Permit, copies of which are attached.

Mr. Klump explained that the time between December 31, 2018, and the adoption date of the new permit will be included in the Year 1 annual report for the new permit term. He outlined the schedule of events for obtaining permit coverage under the new permit. Mr. Klump stated that the District will have 180 days from the date that the TCEQ adopts the new permit to obtain permit coverage. Permit coverage will include preparation of a new Stormwater Management Program (SWMP) and submittal of a Notice of Intent ("NOI") to the TCEQ. A public meeting will be held as necessary based on significant public interest generated by public comments.

Discussion ensued regarding the conveyance system and facility ownership. The Board directed Mr. Klump to verify whether the District owns any of the storm water facilities.

Following review and discussion, Director Weary moved to approve the Year 5 annual SWMP report. Director Ferguson seconded the motion, Director Mears abstained, and the motion carried.

ADOPT ORDER ADOPTING SECTION 49.2731 ELECTRONIC BIDDING RULES

The Board considered adopting an Order Adopting Section 49.2731 Electronic Bidding Rules to permit the receipt of bids under Section 49.273 of the Texas Water Code through electronic transmission. Following review and discussion, Director Mears moved to adopt an Order Adopting Section 49.2731 Electronic Bidding Rules. Director Ferguson seconded the motion, which was approved by unanimous vote.

Ms. Humphries entered the meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook stated that ABHR reached out to SCRMA for a report, but did not receive a response.

Director Mears requested the Board authorize him to attend the Environmental Trade Fair and Conference hosted by the TCEQ. He stated that landfill education provided by the conference will be beneficial to the District. Director Mears noted that due to odors from the landfill, residents are successfully protesting their property values, which decreases value in the District.

Following review and discussion, Director Ferguson moved to authorize Director Mears to register and attend the Environmental Trade Fair and Conference hosted by the TCEQ. Director Weary seconded the motion, which was approved by unanimous vote.

Director Mears updated the Board regarding SCRMA and its upcoming slope irrigation repairs.

ATTORNEY'S REPORT

Ms. Brook stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. Ms. Brook added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Brook explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. Ms. Brook added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. Ms. Brook stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. Ms. Brook reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Mears moved to

adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Ferguson seconded the motion, which passed by unanimous vote.

Ms. Brook reviewed the District's Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System in compliance with SEC Rule 15c2-12 and with the Municipal Advisory Council of Texas, the State Information Depository, by March 31, 2019. Following review and discussion, Director Mears moved to file required financial and operating data in accordance with the continuing disclosure provisions. Director Ferguson seconded the motion, which was approved by unanimous vote.

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 meeting schedule and concurred to hold the regular meeting on April 2, 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