

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

August 6, 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 6th day of August, 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
Vacant	Assistant Vice President
Marie Ferguson	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Marrick Armstrong and Dalia Kasseb; residents of the District; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Amy Symmank of Myrtle Cruz, Inc.; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Patrick L. Newton of LJA Engineering, Inc. ("LJA"); Javier Ortiz and Chris Williams of Shadow Creek Ranch Maintenance Association ("SCRMA"); and Lynne Humphries, Hannah Brook, and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

ACCEPT RESIGNATION OF DIRECTOR WEARY AND APPOINT NEW DIRECTOR

Ms. Brook announced that Director Weary has submitted his resignation from the Board. Following discussion, Director Slade made a motion to accept the resignation of Director Weary. Director Ferguson seconded the motion, which carried unanimously.

Mr. Armstrong and Ms. Kasseb introduced themselves to the Board and expressed interest being appointed to fill the vacancy on the Board. Mr. Armstrong and Ms. Kasseb left the meeting at this time of their own volition. Following discussion, Director Slade made a motion to appoint Mr. Armstrong to fill the vacancy on the Board. Director Ferguson seconded the motion, which carried unanimously.

APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

Ms. Brook stated that Director Armstrong must execute a Sworn Statement, Official Bond, and Oath of Office as required by the Texas Constitution and Texas Water Code. After discussion, Director Slade moved to approve Director Armstrong's Sworn Statement, Official Bond, and Oath of Office, and direct that they be filed

appropriately and retained in the District's official records and that the Oath of Office be filed with the Secretary of State of the State of Texas. The motion was seconded by Director Ferguson, which carried unanimously.

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF THE DISTRICT REGISTRATION FORM

The Board then considered reorganizing the Board. After discussion, the Board concurred to reorganize the Board as follows:

Caralynn Prade	President
Melissa Slade	Vice President
Edward T. Mears	Secretary
Marrick Armstrong	Assistant Vice President
Marie Ferguson	Assistant Secretary

Ms. Brook stated the District Registration Form must be filed with the Texas Commission on Environmental Quality ("TCEQ") to show the new slate of officers. After discussion, Director Slade made a motion to authorize ABHR to file the District Registration Form with the TCEQ. Director Ferguson seconded the motion, which carried unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING

Ms. Brook next distributed and reviewed a memorandum regarding Texas Open Meetings Act and Public Information Act training requirements and encouraged Director Armstrong to receive his training as soon as possible and forward his certificate of completion to ABHR for inclusion in the District's permanent records.

CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Brook reviewed with the Board legislation enacting Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She reviewed with Director Armstrong the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District. She encouraged Director Armstrong to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure. She then stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. The Board reviewed the List of Local Government Officers, which now includes Director Armstrong. After review and discussion, Director Slade made a motion to approve the List of Local Government

Officers and direct that the List be filed appropriately and retained in the District's official records. 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

At 11:38 a.m., the Board convened in executive session. Present for the executive session include members of the Board, Officer Lucas, Mr. Ortiz, Mr. Williams, Ms. Humphries, Ms. Brook, and Ms. Smiley. Officer Lucas reviewed the written security report for Shadow Creek Ranch, provided in advance of the meeting, and responded to questions from the Board.

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

At 11:48 a.m., the Board reconvened in open session.

MINUTES

The Board considered approving the regular meeting minutes of July 2, 2019, which were distributed to the Board in advance of the meeting. After review and discussion, Director Mears moved to approve the regular meeting minutes of July 2, 2019, 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. The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached. The Board directed ABHR to draft and post an article on the district's website thanking Mr. Fred E. Weary, Jr., for his service and announcing the appointment of Director Armstrong. Following review and discussion, the Board concurred to authorize ABHR to submit (1) the newsletter notice for publication; and (2) the website updates as posted articles become outdated including the information about the city election.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

RECEIVE REPORT FROM FINANCIAL ADVISOR ON CASH REDEMPTION OF BONDS AND REDEMPTION EXPENSES, AUTHORIZE CASH REDEMPTION OF BONDS, AND APPROVE NOTICE OF CASH REDEMPTION OF BONDS AND MATERIAL EVENT NOTICE

The Board considered authorizing a cash defeasance of certain of the maturities of the District's \$16,165,000 Unlimited Tax Bonds, Series 2006 ("Series 2006 Bonds"). Ms. Williams distributed and reviewed an analysis of the District's debt service requirements and a proposed redemption of the Series 2006 Bonds. A copy of the analysis is attached. Ms. Williams stated that the redemption would occur on September 15, 2019, after proper notice is given.

Ms. Brook then reviewed a Notice to Paying Agent of Bond Redemption to provide notice of the District's redemption of the Series 2006 Bonds. After review and discussion, Director Ferguson moved to authorize the Notice to Paying Agent of Bond Redemption and material event notice and direct that they be filed appropriately and retained in the District's official records. Director Mears seconded the motion, which carried unanimously.

DISCUSS 2019 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams discussed the 2019 tax rate and recommended the District levy a 2019 tax rate of \$0.69 per \$100 of assessed value, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance, the same tax rate as the previous year. She stated that, according to the Brazoria County Appraisal District, the 2019 taxable value in the District is \$1,103,224,015.00 and the average home value increased from \$250,113.00 for 2018 to \$252,479.00 for 2019.

After review and discussion, Director Mears moved to authorize the tax assessor/collector to publish notice of the District's public hearing on September 3, 2019, to adopt the proposed 2019 tax rate of \$0.69 per \$100 assessed valuation, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance. Director Ferguson seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Symmank 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. Symmank reviewed a proposed budget for fiscal year ending September 30, 2020. Discussion ensued regarding costs for LJA's oversight for the well and irrigation repair project. Director Slade requested the Board consider allocating funds for trail construction and the lighting project. There was no action taken.

After review and discussion, Director Slade moved to approve the bookkeeper's report and payment. Director Mears 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 quarterly delinquent tax attorney report. A copy of the tax assessor/collector's report is attached. He noted 99.51% of the 2018 taxes have been collected as of July 31, 2019.

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

ENGINEERING MATTERS

Mr. Newton reviewed the engineer's report, a copy of which is attached.

STORM WATER PERMIT TXRQ40000; YEAR 5 ANNUAL REPORT

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Slade reported on meetings with vendors regarding alternative lighting, for the walking trails. She requested the Board authorize her to coordinate with additional vendors for lighting proposals, cost estimates, and onsite meetings as needed. Following review and discussion, Director Ferguson moved to authorize Director Slade to coordinate with vendors for lighting proposals and related activities, as needed. Director Mears seconded the motion, which passed unanimously.

The Board directed Director Slade to work with SCRMA regarding potential maintenance and attend the Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1") regular meeting, regarding the trail lighting project.

DISCUSS ASSISTING SCRMA WITH PAYMENT FOR CERTAIN ITEMS ELIGIBLE FOR MUD EXPENDITURES, INCLUDING EROSION PROTECTION AND IRRIGATION IMPROVEMENTS FOR DETENTION POND SLOPES AND APPROVE COST SHARING AGREEMENT.

After inquiry from Director Mears, Mr. Ortiz stated that the well and irrigation repair project is expected to start in four weeks. He also stated that from start to completion the wells will take approximately four to six weeks and the irrigation repair will take four to six weeks.

ATTORNEY'S REPORT

Ms. Humphries updated the Board on the most recent City of Pearland City Council meeting.

BLUE RIDGE LANDFILL ODOR MATTERS

Director Mears updated the Board on matters related to the Blue Ridge Landfill.

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 TCEQ 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 September 3, 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.




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.

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