

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

September 3, 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 3rd day of September, 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
Marrick Armstrong	Assistant Vice President
Marie Ferguson	Assistant Secretary

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

Also present at the meeting were David Patterson of Assessments of the Southwest, Inc. ("ASW"); Erin Garcia of Myrtle Cruz, Inc.; Patrick L. Newton of LJA Engineering, Inc. ("LJA"); Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Joel Hardy of the City; Javier Ortiz of Shadow Creek Ranch Maintenance Association ("SCRMA"); and Lynne Humphries, Hannah Brook, Kathryn Easey, and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

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 99.60% of the 2018 taxes have been collected as of August 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.

Mr. Patterson stated ASW published notice of the public hearing to be held at today's meeting regarding adoption of the District's 2019 tax rate. Director Prade then opened the public hearing. No members of the public came forward to make comments. Director Prade closed the public hearing.

Ms. Brook reviewed an Order Levying Taxes reflecting a total 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. Ms. Brook then reviewed 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.

Discussion ensued regarding the proposed rate allocated to operations and maintenance.

Following review and discussion, Director Ferguson moved to (1) adopt the Order Levying Taxes; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Armstrong seconded the motion, which carried by majority vote, with Director Mears voting no.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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.

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

Ms. Garcia reviewed the proposed budget for the fiscal year ending September 30, 2020, a copy of which is included in the bookkeeper's report. Discussion ensued, including Board direction regarding revisions to the proposed budget. Following review and discussion, Director Mears moved to adopt the budget for fiscal year ending September 30, 2020, as revised. Director Ferguson seconded the motion, which passed unanimously.

The Board conducted an annual review of the District's Investment Policy and determined no changes were necessary. Ms. Brook reviewed a Resolution Regarding Annual Review of Investment Policy. Following review and discussion, Director Mears moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ferguson seconded the motion, which passed unanimously.

Ms. Brook reviewed 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. The Board reviewed the updated list of banks, which is attached as an exhibit to the Resolution. Following review and discussion, Director Mears moved to 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 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 11:33 a.m., the Board convened in executive session. Present for the executive session include members of the Board, Officer Lucas, Mr. Ortiz, Ms. Brook, Ms. Easey, 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 11:43 a.m., the Board reconvened in open session.

AUDITOR

Ms. Brook presented correspondence from McGrath & Co., PLLC, requesting authorization to conduct the District's annual audit. Following review and discussion, Director Mears moved to authorize McGrath & Co., PLLC, to proceed with preparation of the audit for fiscal year ending September 30, 2019, pursuant to the District's engagement letter. Director Armstrong seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the regular meeting minutes of August 7, 2019, which were distributed to the Board in advance of the meeting. After review and discussion, Director Ferguson moved to approve the regular meeting minutes of August 7, 2019, 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. Director Mears suggested revisions to the newsletter. Following review and discussion, the Board concurred to authorize ABHR to submit (1) the newsletter notice including revisions by Director Mears for publication; and (2) the website updates as posted articles become outdated.

COMMENTS FROM THE PUBLIC

Mr. Hardy introduced himself to the Board and stated that he was the Municipal Utility District liaison for the City.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

ARBITRAGE REBATE REPORT

Ms. Brook presented and reviewed Arbitrage Rebate Reports for the District's Series 2009 and 2014 Bonds. She noted no payment is due to the Internal Revenue Service from the District.

ENGINEERING MATTERS

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

Mr. Newton updated the Board on the waterline extension to serve the Shadow Creek Ranch Senior Housing Development, as detailed in the engineer's report, and recommended approval of Pay Estimate No.1 in the amount of \$102,397.50, and Change Order No. 2 in the amount of \$9,130.00, submitted by AR Turnkey Construction Company, Inc. ("AR Turnkey,"). Following review and discussion, Director Mears moved to approve Pay Estimate No. 1, in the amount of \$102,397.50 and Change Order No. 2 in the amount of \$9,130.00, based upon the engineer's recommendation. Director Ferguson 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 Mears stated that he will attend the Association of Water Board Director's Parks Committee meeting regarding environmental design.

ATTORNEY'S REPORT

There was no discussion on this item.

BLUE RIDGE LANDFILL ODOR MATTERS

Director Mears updated the Board on matters related to the Blue Ridge Landfill. He requested the Board consider adoption of a resolution support of a grant application, at the next regular meeting, to be submitted by the City, regarding the Blue Ridge Landfill.

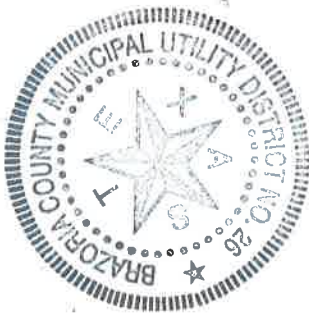
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TCEQ AIR QUALITY MONITORING

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 October 1, 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.

LIST OF ATTACHMENTS TO MINUTES

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