

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

October 4, 2016

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 4th day of October, 2016, 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 except Director Slade, thus constituting a quorum.

Also present at the meeting were Ed Mears, resident of the District; Sydney Woods and Raleigh Woods, members of the public; Maria Shaw of Shadow Creek Ranch Maintenance Association ("SCRMA"); Tina Kelsey of Myrtle Cruz, Inc.; Officer C. L. Gray of the City of Pearland ("City") Police Department; David Patterson of Assessments of the Southwest, Inc.; 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 September 6, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the September 6, 2016, regular meeting, as presented. Director Fain seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kelsey 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. Kelsey noted the debt service payment schedule was not updated to reflect the cash defeasance from last month but will be updated in next month's report. After review and discussion,

Director Prade moved to approve the bookkeeper's report and payment of the bills. 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 a report from the District's collections attorney, a copy of which is attached. He noted 99.80% of the 2015 taxes have been collected as of September 30, 2016. Following review and discussion, Director Prade moved to approve the tax assessor/collector's report. Director Weary seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Ross reported on monthly communication with Assistant City Manager Trent Epperson regarding the City's wastewater treatment plant that serves Shadow Creek Ranch ("SCR").

Mr. Ross reported on communication with Cara Davis of the City Department of Parks and Recreation regarding the Shadow Creek Ranch Sports Park ("Sports Park"). Mr. Ross reported that at the time of his contact with Ms. Davis, she reported that no opening date for the Sports Park has been scheduled; the completion date for the Sports Park was scheduled for September 30, 2016; and portions of the Sports Park have transitioned from the construction period to the maintenance period. The Board expressed concern for the lack of maintenance at the Sports Park. Ms. Shaw stated SCRMA recently contacted Ms. Davis to express the same concern. Director Parks stated he will contact Ms. Davis to express the District's concern for the lack of maintenance at the Sports Park.

Following review and discussion, the Board concurred to accept the engineer's report.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

In response to an inquiry made by Director Weary, ABHR provided correspondence from Bob DeForest regarding the installation of soccer goals at the temporary ball fields. The Board reviewed pictures of soccer goals similar to the soccer goals installed at the temporary ball fields and concluded they were installed as intended.

SECURITY SERVICES REPORT

Officer Gray reviewed the written security report for SCR, a copy of which is

attached, and answered questions from the Board. Officer Gray then left the meeting.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft of the notice for submission to the Shadow Creek Community Newsletter and The Connection newsletter and considered updates for the District's website. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Following review and discussion, the Board directed ABHR to post the notice to the newsletter, as submitted, and update the website as needed.

Ms. Brownlee reported on options for displaying multiple photos on the website from the Summer Photo Submission entries.

ATTORNEY'S REPORT

No additional report was given.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Humphries entered the meeting. Ms. Shaw reported that at its most recent Board meeting, SCRMA consulted a catalogue of playground equipment and concluded that it would cost approximately \$546,000 to replace the playground equipment with shade at the Diamond Bay and Reflection Bay recreational areas. In response to a request from the Board, Ms. Shaw said she will present SCRMA's annual budget at next month's meeting for the Board's review of eligible budgeted line items.

Ms. Shaw noted there was discussion among SCRMA Board members representing commercial property in the District to pursue installing additional security cameras.

COMMENTS FROM THE PUBLIC

Mr. Ed Mears introduced himself to the Board and stated he is a resident of the District and has a professional background which utilizes his education in environmental science. He added that he is a member of the SCR Odor Task Force ("Task Force"), which was organized last April to address odor nuisance complaints in the West Pearland area of SCR. He stated the Task Force is comprised of residents and representatives of the City, various SCR Homeowner Associations, the Texas Commission on Environmental Quality ("TCEQ"), and Republic Services Blue Ridge Landfill, which owns a landfill in the area, Blue Ridge Landfill, from which extensive air sampling was conducted.

Mr. Mears stated Blue Ridge Landfill was not constructed properly and is the cause of the odors, which are a nuisance and as such, reduce SCR property values.

Mr. Mears stated he purchased his home approximately one year ago. He said he protested his property value, citing the odor as a reason to decrease the value, which resulted in the Brazoria County Appraisal District reducing his value by 10%. He then recommended the District and other nearby taxing entities take an active role in the efforts of the Task Force to protect their revenue interests.

The Board reviewed material provided by Ms. Shaw and distributed by Ms. Brownlee reflecting recent activity in SCR related to the odor nuisance matter, including the attached TCEQ Monitoring Project Report.

Mr. Mears generally reviewed the TCEQ Monitoring Project Report with the Board, including air quality sampling and the TCEQ's conclusions; and the TCEQ violations cited against Blue Ridge Landfill and Blue Ridge Landfill's remedies. He stated the TCEQ's monitoring of the odor nuisance matter is not thorough, in his opinion. Discussion ensued. Mr. Mears and Ms. Shaw responded to questions from the Board.

Following review and discussion, the Board requested ABHR: (1) obtain proposals from environmental lawyers to present to the Board at the next meeting; and (2) inform the attorney representing Brazoria County Municipal Utility District No. 34, also located in SCR, and the Board of Directors of Brazoria-Fort Bend Municipal Utility District No. 1 at its next meeting of the odor nuisance matter and the District's intention to review the proposals and consider hiring an environmental lawyer.

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



(SEAL)


Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the approved notice to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. Director Parks will contact Cara Davis to express the District's concern for the lack of maintenance at the Sports Park.
4. Ms. Shaw will present the current SCRMA annual budget at next month's meeting.
5. ABHR will obtain proposals from environmental lawyers and present them to the Board at its next meeting.
6. ABHR will inform the attorney representing Brazoria County Municipal Utility District No. 34 of the odor nuisance matter and the Board's intention to consider hiring an environmental lawyer.
7. ABHR will inform the Board of Directors of Brazoria-Fort Bend County Municipal Utility District No. 1 of the odor nuisance matter and the Board's intention to consider hiring an environmental lawyer.

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