

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

November 1, 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 1st day of November, 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, thus constituting a quorum.

Also present at the meeting were Travis McGuire, resident and Director of Brazoria County Municipal Utility District No. 34 ("BC 34"); Maria Shaw and Paul Wisdom of Shadow Creek Ranch Maintenance Association ("SCRMA"); Christina Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas 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 October 4, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the October 4, 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. Garcia 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. Garcia reported certain outstanding expenses in connection with Director advances for conference attendance. The Board noted no Director receiving an advance with outstanding expenses will

receive a per diem until the outstanding expenses are reconciled, nor will any future advance request be approved. 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 delinquent tax attorney, a copy of which is attached. He noted 0.00% of the 2016 taxes have been collected as of October 31, 2016. Following review and discussion, Director Prade moved to approve the tax assessor/collector's report. Director Fain seconded the motion, which carried by unanimous vote.

The Board directed Mr. Patterson to request that the District's delinquent tax attorney take action and provide an update on longstanding delinquent accounts. Director Weary and Ms. Shaw entered the meeting.

#### 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 expansion of the City's wastewater treatment plant that serves Shadow Creek Ranch ("SCR").

Mr. Ross reported on communication with Cara Davis of the City Parks and Recreation Department regarding the Shadow Creek Ranch Sports Park ("Sports Park"). He reported the City is working with the contractor, but there is currently no opening date. The Board requested Mr. Ross provide an update on how the funds provided by the District and Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1") were spent and the balance remaining.

Ms. Brownlee reported regarding a resident who has contacted the City regarding an emergency repair of a hole in the sidewalk, which she believes is due to a collapse of the underlying sewer line. Ms. Brownlee reported she called the City and reported the resident's concern and contact information. Ms. Brownlee stated she communicated the Board's expectation that the City properly maintain the facilities built and conveyed by the District to the City. The Board indicated the resident should be encouraged to attend a City Council meeting and speak under public comments and report the situation to City Council member and Shadow Creek Ranch ("SCR") resident Derrick Reed. Ms. Shaw said Mr. Wisdom will follow up on the matter with the City. Director Slade entered the meeting.

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

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Shaw reported SCRMA will glue the fence caps onto the fence posts at the temporary ball fields.

#### SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for SCR. The Board considered adding an extra patrol shift for the holiday season from November 15, 2016 to January 15, 2017. After discussion, Director Prade moved to approve an extra patrol shift, as discussed, subject to approval by BFB 1. Director Fain seconded the motion, which passed unanimously.

Discussion ensued regarding the purchase and installation of additional security cameras. Ms. Shaw reported two cameras will be added at the basketball and tennis courts. Officer Lucas recommended adding two additional cameras at certain SCR entrances. In response to an inquiry by Mr. McGuire, Officer Lucas and Ms. Shaw provided contact information to coordinate with BC 34's homeowner's association to look into the possibility of adding security cameras in BC 34. Officer Lucas 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. Ms. Brownlee noted holiday safety tips were added to the newsletter notice and the website. Following review and discussion, the Board directed ABHR to post the notice to the newsletter, as submitted, and update the website as needed.

#### 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. Shaw introduced Mr. Wisdom and stated he is SCRMA's Facilities Property Manager. Mr. Wisdom discussed his professional background.

COMMENTS FROM THE PUBLIC

Mr. McGuire stated he is a member of the Odor Task Force and a Director and resident of BC 34. He reported a Notice of Enforcement was recently issued by the Texas Commission on Environmental Quality ("TCEQ") to Blue Ridge Landfill.

In response to Mr. McGuire's request, the Board indicated a copy of the environmental law firm's proposal will be provided for distribution to the Board of Directors of BC 34.

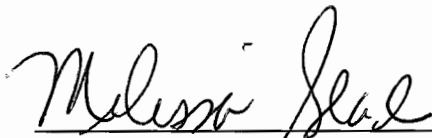
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL, INCLUDING TEXAS COMMISSION ON ENVIRONMENTAL QUALITY AIR QUALITY MONITORING

The Board did not convene in executive session.

AUTHORIZE LEGAL SERVICES ENGAGEMENT LETTER

The Board reviewed a proposal from Katten Muchin Rosenman LLP offering legal representation of the District regarding the odor nuisance matter. Ms. Humphries noted such legal representation could result in the TCEQ establishing enforcement deadlines and penalties for noncompliance satisfactory to the District. Ms. Humphries reported the Board of Directors of BFB1 made no commitment to share the cost of engaging an environmental law firm at this time. Discussion ensued. Following review and discussion, Director Prade moved to authorize execution of a letter drafted by ABHR on behalf of the District to the appropriate State Senator and Representative expressing the District's concern that the TCEQ's investigation of the odor nuisance matter is not resulting in a quick and satisfactory resolution that reduces or eliminates the odor. Director Fain seconded the motion, which passed unanimously.

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



Secretary, Board of Directors

(SEAL)



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. Mr. Ross will provide and update on the funds provided by the District and BFB1 for the Sports Park.
4. Mr. Wisdom will follow up on the resident's report to the City of an emergency sidewalk repair.
5. ABHR provide a copy of the environmental law firm's proposal to represent BC 26 in the odor nuisance matter to the Board of Directors of BC 34.
6. ABHR will send a letter on behalf of the District to the appropriate State Senator and Representative regarding the odor nuisance matter.

LIST OF ATTACHMENTS TO MINUTES

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