

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

August 1, 2017

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 August, 2017, 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 Parks, thus constituting a quorum.

Also present at the meeting were Mekhi Johnson, a member of the public; Christina Perry of Myrtle Cruz, Inc.; Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); David Patterson of Assessments of the Southwest, Inc.; James Ross of LJA Engineering, Inc.; and Hannah Brook and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 11, 2017, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the July 11, 2017, regular meeting, as presented. Director Weary seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public came forward to address the Board.

DEVELOPMENT IN THE DISTRICT

Director Slade entered the meeting.

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry 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. Following review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills. Director Slade seconded the motion, which passed unanimously.

Ms. Perry reviewed a proposed budget for fiscal year ending September 30, 2018. She requested the directors and consultants review the draft budget and send any comments to her prior to next month's meeting.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson reviewed the tax assessor/collector's report, including the unpaid accounts tax roll and the delinquent tax attorney's quarterly report. A copy of the tax assessor/collector's report is attached. He noted 99.22% of the 2016 taxes have been collected as of July 31, 2017.

Director Weary reported receiving a District property tax statement, which reflects a quarterly payment and an amount that is past due. Director Weary said he paid the 2016 taxes in full. Mr. Patterson stated he will look into the matter and provide an update to Director Weary and to the Board at the next regularly scheduled Board meeting.

Mr. Patterson stated the Brazoria County Appraisal District ("BCAD") provided a certification of the District's net taxable value of \$1,066,069,569 for 2017.

Ms. Williams distributed and reviewed a debt service schedule for the Series 2006 Bonds, copy of which is included in the attached tax rate analysis. Ms. Williams proposed cash redemption of certain maturities of the Series 2006 Bonds using available debt service funds.

Ms. Williams reviewed the tax rate analysis, which recommends the District levy a 2017 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 BCAD, the average home value increased from \$238,575 in 2016 to \$243,535 in 2017.

Following review and discussion, Director Prade moved to (1) approve the tax assessor/collector's report; (2) authorize the tax assessor/collector to publish notice of the District's public hearing on September 5, 2017, to set the proposed 2017 tax rate of \$0.69 per \$100 assessed valuation, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance; and (3) authorize Rathmann to move forward with preparations for the discussed cash redemption. Director Slade seconded the motion, which carried by unanimous vote.

Officer Lucas entered the meeting.

## ENGINEERING MATTERS

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

## SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for Shadow Creek Ranch ("SCR") and responded to questions from the Board. She reported that she has recommended to the City and Shadow Creek Ranch Maintenance Association that additional security cameras be installed at certain locations in SCR. Discussion ensued regarding funding of the security cameras and SCRMA plans.

Officer Lucas left the meeting.

## ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting and considered website updates. 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 publication of the newsletter notice, as submitted.

## ATTORNEY'S REPORT

Ms. Brook reported on the attendance of Director Parks and Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1") Director Heather Zayas at the most recent meeting of the Board of Directors of Brazoria County Municipal Utility District No. 34 ("BC 34") to request participation in cost-sharing of special counsel fees for representation regarding matters concerning Blue Ridge Landfill (the "Landfill"). Ms. Brook stated BC 34 declined cost-sharing participation at this time.

Ms. Brook stated she was contacted by Community Impact Newspaper regarding SCR municipal utility district ("MUD") matters and provided responses on behalf of the District and BFB 1.

Ms. Brook reported the City has filed a lawsuit against the Landfill. She provided a copy of a Community Impact Newspaper article reporting on such to the Board for review.

## STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Slade reported on an educational class for MUD directors at Water Wastewater Management Services on August 5, 2017, from 10:00 a.m. to 3:00 p.m. She noted the speaker is Marion Henderson. After discussion, and based on a motion made by Director Slade and seconded by Director Prade, the Board unanimously authorized one Director fee of office and reimbursement of the \$75 registration fee for any interested Board member to attend the aforementioned class.

The Board reviewed a flyer from Simple Recycling regarding curbside textile recycling. After discussion, the Board requested an agenda item be added for a Simple Recycling representative to present additional information on the aforementioned program.

The Board requested ABHR contact SCRMA to request provision at the next regularly scheduled Board meeting of SCRMA's budget and identification of items that are eligible for MUD funding.

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.

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 notice to the community newsletters.
2. ABHR will submit updates to the District's website as appropriate.
3. ABHR will include an agenda item for the next Board meeting to consider the Simple Recycling program; ABHR will notify the Simple Recycling representative of the agenda item.
4. ABHR will request that SCRMA provide a budget and a request for assistance with items eligible for MUD funding.
5. District consultants and Directors will submit budget for fiscal year ending September 30, 2018 comments to the District's bookkeeper before the next regularly scheduled meeting.

LIST OF ATTACHMENTS TO MINUTES

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