

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

June 5, 2018

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 5th day of June, 2018, 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
Fred E. Weary, Jr.	Assistant Vice President
Marie Ferguson	Assistant Secretary

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

Also present at the meeting were Rocky Lucas, a member of the public; Erin Garcia of Myrtle Cruz, Inc.; Chris Hill of 180 Messaging; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 1, 2018, regular meeting and the May 14, 2018, special meeting, which were provided in advance. After review and discussion, Director Mears moved to approve the minutes of the May 1, 2018, regular meeting and the May 14, 2018, special meeting, as submitted. Director Ferguson seconded the motion, which passed unanimously.

PUBLIC EDUCATION PROGRAM AND NEWSLETTER AND WEBSITE MATTERS

Mr. Hill reported on activities in progress for the District's public education program and responded to questions from the Board. The Board requested the next agenda include an item to approve purchase of District shirts for the Board.

The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached. The Board concurred to include the hurricane preparation website link from www.ready.gov that was provided by the District's webmaster and distributed in advance of the meeting.

COMMENTS FROM THE PUBLIC

The Board opened the meeting to receive comments from the public. No one came forward to address the Board.

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.

Officer Lucas entered the meeting.

The Board discussed the District's Travel Reimbursement Guidelines ("Guidelines") and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") summer conference in San Antonio. Director Prade provided a hotel reservation for three nights of lodging to Ms. Garcia and requested an advance in the amount reflected on the hotel reservation to attend the AWBD summer conference.

Ms. Brook reported Brazoria-Fort Bend County Municipal Utility District No. 1 Director Heather Zayas has not submitted any documentation to date for travel expenses to attend the April 24, 2018, legislative hearing at the State Capitol to testify, as requested by State Representative Ed Thompson's office, regarding the effects of living near the Blue Ridge Landfill.

After review and discussion, Director Mears moved to approve (1) the bookkeeper's report and payment of the bills; (2) maximum limits of four Director fees of office, three nights of lodging, and reasonable and necessary meal expenses per day for any director attending the AWBD summer conference for expenses submitted in accordance with the Guidelines; and (3) an advance in the amount reflected on the presented hotel reservation to Director Prade for three nights of lodging to attend the AWBD Summer conference. Director Ferguson 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. A copy of the tax assessor/collector's report is attached. He noted 97.97% of the 2017 taxes have been collected as of May 31, 2018. Discussion ensued regarding the unpaid accounts tax roll. Directors Mears and Ferguson indicated they

will inquire of Crest Management and the Board of their respective homeowner's associations ("HOA") to request immediate payment of HOA unpaid tax accounts.

Mr. Patterson reported the District's 2018 preliminary assessed taxable value is \$1,124,171,814, which is an increase of \$71,188,991 compared to the District's 2017 certified assessed taxable value.

Ms. Brook stated that on July 1, 2018, outstanding 2017 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent taxes after July 1.

Director Slade entered the meeting.

Following review and discussion, Director Mears moved to approve the tax assessor/collector's report and authorize the delinquent tax attorney to proceed with the collection of delinquent 2017 taxes on July 1, 2018. Director Ferguson seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

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

Mr. Ross reported he sent to the City the digital photos of storm sewer system sections located in the District provided by Camino Services with a memorandum reflecting his assessment.

Discussion ensued regarding maintenance of Brazoria County Drainage District No. 4 channels (the "Channels") located in Shadow Creek Ranch ("SCR"). Director Mears stated he will address maintenance of the Channels at his next HOA meeting and ask Shadow Creek Ranch Maintenance Association ("SCRMA") to request that Drainage District No. 4 maintain the Channels.

Mr. Ross provided an update on the City's sewage treatment plant expansion.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Ferguson reported on a request made by a member of her HOA regarding irrigation of District pond side slopes for turf maintenance. She referenced communication with SCRMA indicating SCRMA asked the District for funding assistance to maintain irrigation equipment but the District declined the request. Discussion ensued. The Board noted SCRMA made no such request despite (1) the

Board's repeated invitations to SCRMA to present a budget or itemized list of expenditures eligible for municipal utility district ("MUD") funding; and (2) inclusion of an agenda item to take action on such requests. After discussion, the Board directed ABHR to request from SCRMA an itemized list of expenditures they believe may be eligible for MUD funding for consideration and possible action at the next Board meeting.

The Board determined there will be no quorum for the next regularly scheduled meeting and discussed availability for a rescheduled meeting date. Following discussion, the Board concurred to reschedule the next meeting from July 3 to June 26.

The Board noted Dr. Fain attended the AWBD Parks Committee meetings on behalf of the District. Directors Mears and Ferguson expressed interest in attending AWBD Parks Committee meetings and requested they be added to the distribution list to receive information regarding the AWBD Parks Committee meetings.

The Board discussed the service of Dr. Herbert Fain, Jr. and Mr. Jason Harrison to the District. After discussion, the Board concurred to include an item on the next meeting agenda to commend Dr. Fain and Mr. Harrison for service to the District.

Ms. Humphries entered the meeting. Ms. Garcia and Messrs. Hill, Ross, and Patterson left the meeting.

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

The Board convened in executive session at 12:13 p.m. to deliberate the SCR security report and receive additional information regarding the SCR security report.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

The Board reconvened in open session at 12:45 p.m. No action was taken on this matter.

ATTORNEY'S REPORT

The Board discussed the invitation received from State Representative Ed Thompson to attend the Community Information Forum: Odor Issues in Shadow Creek Ranch scheduled for June 13, 2018. The Board discussed provisions of the Texas Open Meetings Act regarding when a quorum of Directors is present without a posted agenda and exceptions to requirements to post agendas.

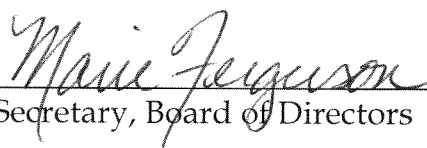
The Board considered authorizing execution of a letter requesting the Texas Congressional Delegation to support funding for a U.S. Army Corps of Engineers Clear Creek drainage improvement project (the "Clear Creek Project") that will benefit SCR drainage. Ms. Brook indicated the City confirmed federal funding is needed for the Clear Creek Project. Director Mears asked that Mr. Russ Poppe of the Harris County Flood Control District and Harris County Judge Ed Emmett also be copied on the letter. Following review and discussion, Director Mears moved to authorize execution of the District letter, with additional persons copied. Director Ferguson seconded the motion, which passed unanimously.

Ms. Brook reviewed an Interim Excess Earnings Report regarding the District's Series 2013 Unlimited Tax Refunding Bonds provided by Omnicap Group LLC. She noted the Report indicates no payment for arbitrage for the District's Series 2013 Unlimited Tax Refunding Bonds is due to the Internal Revenue Services at this time. The Board concurred to accept the report and asked ABHR to file the report in the District's records.

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 this executive session.

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


Asst. Secretary, Board of Directors

(SEAL)



ACTION LIST

1. Mr. Hill will submit information to the community newsletters.
2. Ms. Garcia will bring a catalogue for the Board to use to order District apparel.
3. Mr. Hill will submit updates to the District's website and Facebook page, as appropriate.
4. Ms. Brownlee will request Mr. Wisdom bring an itemized list of expenses for which SCRMA is requesting District funding assistance.

LIST OF ATTACHMENTS TO MINUTES

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