

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

January 2, 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 2nd day of January, 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:

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 Weary, thus constituting a quorum.

Also present at the meeting were Ed Mears and Constance Fain, District residents; Ahmeer Parks, a member of the public; Chris Hill of 180 Messaging; Christina Perry of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland ("City") Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); 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 December 5, 2017, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the December 5, 2017, regular meeting, as presented. Director Fain seconded the motion, which passed unanimously.

PUBLIC EDUCATION PROGRAM

Mr. Hill updated the Board on his assessment of the District's needs regarding the creation of a District public education program. He stated he will finalize recommendations by the end of the week. Discussion ensued regarding the distribution, review, and approval of Mr. Hill's recommendations during his engagement with the District.

Ms. Humphries entered the meeting.

## ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft newsletter notice distributed to the Board in advance of today's meeting, a copy of which was presented to Mr. Hill. Mr. Hill noted he will draft the newsletter notice during his engagement beginning with the March 2018 notice and provide updates for an online District newsletter, should the Board choose to create one. Discussion ensued. After discussion, and based on a motion made by Director Prade and seconded by Director Fain, the Board unanimously approved designating Director Parks to approve content provided by Mr. Hill for the newsletter and online newsletter, should one be created, between Board meetings.

Officer Lucas entered the meeting.

The Board considered website updates and 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.

## COMMENTS FROM THE PUBLIC

Mr. Mears came forward to address the Board. He stated he is a member of the Board of Directors of Reflection Bay Homeowners Association ("HOA"). He then asked for the cost estimate from Danny Worrell to provide information to Representative Ed Thompson regarding the Blue Ridge Landfill (the "Landfill"), which he requested last month via the District's website.

Mr. Mears reported a strong, foul odor on December 24, 2017. The Board noted a pipeline rupture occurred on the same date in nearby Missouri City, which could likely be the cause of the odor. Mr. Mears stated it is the District's residents' opinion the cause of the odor was the Landfill.

Director Slade entered the meeting.

Mr. Mears stated a State Legislative Environmental Committee hearing is scheduled for January 23, 2018, at 9:00 a.m. in Austin, Texas, and he has been invited by Representative Thompson to speak. He added Representative Thompson is asking for help with input for the Environmental Committee to consider in preparation of crafting legislation for next year. Mr. Mears suggested Mr. Worrell and a landfill expert provide such input.

In response to a Board question regarding who else has been approached for help with the Landfill, Mr. Mears stated he has asked the school district, City, and Brazoria County ("County") as his property's taxing entities to contribute, but all said no. The Board noted keeping the Landfill in compliance with the agreement between

the City and the Landfill is the City's responsibility and residents should attend City Council meetings to request the City to do more. Mr. Mears stated residents do attend City Council meetings and make comments accordingly. He added City Council does not comment because of the pending civil law suit it has filed against the Landfill.

Mr. Mears stated hiring a public relations consultant is not a good use of District funds. He noted the funds should instead be used to fight the Landfill. Mr. Mears stated the District should terminate funding of security patrols and shift the cost to the HOA and/or the City. The Board discussed when and why the security patrols began. Officer Lucas noted crime in Shadow Creek Ranch has declined as a result of the increased security patrol.

The Board noted the Board of Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1") has declined all requests to cost share further engagement of Mr. Worrell. The Board requested ABHR contact Representative Thompson to obtain direction regarding what kind of help is requested from the District for the upcoming hearing regarding the Landfill.

#### DEVELOPMENT IN THE DISTRICT

No report was presented on development in the District.

#### 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.

Pursuant to the District's Investment Policy, Ms. Perry presented the annual disclosure statements for the District's bookkeeper and Investment Officer. Ms. Brook explained the bookkeeper and Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") winter conference in Dallas on January 26-27, 2018. Ms. Perry reported the updated mileage reimbursement rate, as established by the Internal Revenue Service.

After review and discussion, Director Prade moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Christina Perry's disclosure statement as the District's bookkeeper; (3) accept Mary Jarmon's disclosure statement as the District's Investment Officer; (4) direct that the disclosure statements be filed appropriately and retained in the District's official records; and (5) establish maximum limits of three director fees of office, two nights of lodging, and reasonable and

necessary meals for any director attending the AWBD winter conference, submitted in accordance with the travel guidelines. 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. A copy of the tax assessor/collector's report is attached. He noted 43.38% of the 2017 taxes have been collected as of December 31, 2017.

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.

#### ENGINEERING MATTERS

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

Director Fain and Mrs. Fain left the meeting.

#### SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for Shadow Creek Ranch.

#### STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No further reports were presented.

#### ATTORNEY'S REPORT

Ms. Brook reported that Mr. Worrell provided a cost estimate of a \$10,000 minimum to provide Representative Thompson information regarding the Landfill, though he noted it is hard to provide an estimate without specific information regarding the scope of the work. Discussion ensued. Mr. Mears stated he will ask residents to contact the Board of BFB 1 to request funding to hire Mr. Worrell. After discussion, Director Prade moved to authorize herself and Director Slade to gather information to hire Mr. Worrell to provide Representative Thompson information regarding the Landfill, subject to (1) Directors Prade's and Slade's attendance at the BFB 1 Board meeting and approval by the Board of BFB 1 to participate in costs related to the Landfill; and (2) confirmation of Representative Thompson's request for help from

the District regarding the Landfill. Director Slade seconded the motion, which passed unanimously.

Ms. Brook reported on the District's post-issuance compliance activities during the prior calendar year related to bond financings. She stated that no action is required at this time.

The Board reviewed a draft of the District's 2018 Information Kit. The Board requested Mr. Hill review the draft and provide a revised draft at the next regularly scheduled meeting.

Ms. Brook stated the District's insurance policies will expire on March 19, 2018. After discussion, the Board directed ABHR to request a renewal proposal from the District's current provider for consideration at next month's meeting.

#### 2018 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2018 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2018 Directors Election Period appointing Tracie Brownlee as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election.

Ms. Brook reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Ms. Brook noted that the District may contract with Brazoria County to conduct the District's 2018 Directors Election.

Following review and discussion, Director Prade moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Tracie Brownlee as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election; and (3) contract with Brazoria County to administer the District's 2018 Directors Election. Director Slade seconded the motion, which was approved by unanimous vote.

Officer Lucas left the meeting.

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.

  
Secretary, Board of Directors

(SEAL)



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 contact Representative Thompson to obtain direction regarding his request for help from the District's special counsel regarding the Landfill.
4. Directors Prade and Slade will attend the next Board meeting of BFB 1.

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