

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

February 6, 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 6th day of February, 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:

Vacant	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 Jason Harrison, Ed Mears, and Maria Ferguson, District residents; Terry Ruiz, Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB 1") Director; Rosa Saade, a member of the public; Paul Wisdom and Raquel Rodriguez of Shadow Creek Ranch Maintenance Association ("SCRMA"); Chris Hill of 180 Messaging; Shannon Waugh of Off Cinco; Tayo Ilori of McGrath & Co. PLLC; Erin Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland ("City") Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); Taylor Baumgartner 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 January 2, 2018, regular meeting, which were provided in advance. After review and discussion, including Board direction regarding a clarification, Director Prade moved to approve the minutes of the January 2, 2018, regular meeting, as revised. Director Slade seconded the motion, which passed unanimously.

ACCEPT RESIGNATION OF DIRECTOR PARKS AND APPOINT NEW DIRECTOR

Ms. Brook reported on the receipt of Director Michael Parks' resignation. The Board considered appointing a new director. Mr. Harrison introduced himself and requested the Board consider appointing him as the new director. He discussed his residency in the District and noted he is the President of SCRMA. After discussion, and based on a motion made by Director Slade and seconded by Director Prade, the Board unanimously accepted Director Parks' resignation and appointed Mr. Harrison to the

Board.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS AND OATHS OF OFFICE

Ms. Brook reviewed the Sworn Statement, Oath of Office, and Official Bond for Director Harrison. After review and discussion, Director Prade moved that the Board approve the Sworn Statement, Oath of Office, and Official Bond and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Slade seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors. Following discussion, Director Prade moved to reorganize the Board as follows:

Herbert Fain	President
Melissa Slade	Vice President
Jason Harrison	Secretary
Caralynn Prade	Assistant Vice President
Fred E. Weary, Jr.	Assistant Secretary

Director Slade seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the term of the newly elected director and the reorganization of the Board. Following review and discussion, Director Prade made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed by unanimous vote.

DISCUSS OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Brook reviewed a memorandum regarding the Texas Open Meetings Act prepared by ABHR, a copy of which is attached.

DISCUSS CONFLICT OF INTEREST DISCLOSURE

Ms. Brook reviewed a memorandum prepared by ABHR regarding Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. A copy of the memorandum is attached. She

reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and will need to be filed thereafter within seven days of a disclosable conflict arising.

The Board considered authorizing execution of an updated List of Local Government Officers. Following review and discussion, Director Prade moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed by unanimous vote.

SECURITY SERVICES REPORT

Officer Lucas reviewed the attached written security report for Shadow Creek Ranch ("SCR"). She stated an additional officer is needed for coverage of the current SCR patrol schedule. Ms. Brook reported that the Board of BFB 1 approved an Amended and Restated Security Patrol Services Agreement with an additional officer. Following review and discussion, Director Prade moved to approve an Amended and Restated Security Patrol Services Agreement. Director Slade seconded the motion, which passed unanimously.

PUBLIC EDUCATION PROGRAM

Mr. Hill distributed and reviewed the attached Articles Recommendation reflecting recommendations for the District's public education program and a distribution timeline.

The Board considered designating a Director to approve 180 Messaging output between regularly scheduled meetings. The Board considered approving the 2018 District Information Kit, a draft of which was distributed to the Board in advance of the meeting.

Following review and discussion, Director Prade moved to (1) approve all recommendations reflected in the Articles Recommendation; (2) designate Director Fain to approve 180 Messaging output between regularly scheduled Board meetings and Director Prade in the event Director Fain is not available; and (3) approve the 2018 District Information Kit, subject to comments received by noon on Friday, February 16, 2018. The motion was seconded by Director Slade, which passed unanimously. Mr. Hill noted the Information Kit will be re-designed to a more user friendly format.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered website updates and reviewed an analytics report on the prior month's website activity, a copy of which is attached.

Ms. Waugh distributed and reviewed an Off Cinco proposal to upgrade website services to include (1) additional webmaster monitoring and alerts; and (2) emergency and nonemergency email and text blasts. Discussion ensued. In response to a Board request, Mr. Baumgartner stated he will communicate at a regularly scheduled City meeting the Board's request that the City utilize an emergency email/text notification system.

Following review and discussion, and based on a motion made by Director Prade and seconded by Director Slade, the Board unanimously approved the Off Cinco proposal to upgrade website services to include additional webmaster monitoring and alerts.

COMMENTS FROM THE PUBLIC

Mr. Mears came forward to address the Board. He inquired about the construction at the northwest corner of Kingsley Drive and Shadow Creek Parkway. He distributed to the Board a March 17, 2017, City Council Agenda Request to adopt a Resolution requesting that the TCEQ Executive Director suspend the Landfill's permit until the Landfill can demonstrate strict compliance with all TCEQ rules regulating nuisance odors and surface concentration monitoring and requested the Board adopt same. Mr. Mears requested the Board suspend the District's Public Education Program and funding of security patrol.

Ms. Ferguson stated she has been a resident since 2004 and believes the City's police response time is shorter due to the extra security patrol provided by the District. She added that she supports the District's funding of such, despite the fact that she believes it is the City's responsibility.

BFB 1 Director Ruiz thanked the Board for attending and working with BFB 1 at last week's joint meeting for the benefit of the SCR community. The Board noted it was nice to see the large resident turnout at the joint meeting.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2017

Mr. Ilori distributed and reviewed a draft of the audit for fiscal year end September 30, 2017. Following review and discussion, Director Prade moved to approve the audit for fiscal year end September 30, 2017, subject to final review, and direct that it be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed unanimously.

Ms. Humphries and Ms. Garcia left the meeting.

DEVELOPMENT IN THE DISTRICT

No report was presented on development in the District. Mr. Baumgartner

stated the District is not involved in any construction at the northwest corner of Kingsley Drive and Shadow Creek Parkway, but he will request that the City provide information regarding such construction.

Ms. Humphries and Ms. Garcia entered the meeting.

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.

The Board discussed the Association of Water Board Directors ("AWBD") winter conference. The Board then considered approving reimbursement of eligible expenses for the winter conference and authorizing attendance to the AWBD summer conference.

After review and discussion, Director Prade moved to (1) approve the bookkeeper's report and payment of the bills; (2) approve reimbursement of eligible expenses for the winter conference submitted in accordance with the District's travel guidelines; and (3) authorize all interested directors to attend the AWBD summer conference. Director Slade 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 the delinquent tax attorney's report. A copy of the tax assessor/collector's report is attached. He noted 77.24% of the 2017 taxes have been collected as of January 31, 2018.

The Board requested Mr. Patterson communicate to the delinquent tax attorney the District's desire to collect the delinquent personal property taxes from the business that received an abstract of judgement as soon as possible.

The Board reviewed a proposed Resolution Concerning Exemptions from Taxation for the 2018 tax year.

Following review and discussion, Director Harrison moved to approve the tax assessor/collector's report and adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board (i) grants a general homestead exemption of 20%, but not less than \$5,000; (ii) grants an additional \$40,000 homestead exemption for disabled persons or persons over 65 years of age; and (iii) rejects any exemption of travel trailers from ad valorem taxation and direct that the Resolution be filed appropriately and retained in the District's official records. Director Weary seconded the motion, which carried by unanimous vote.

Ms. Waugh left the meeting.

ENGINEERING MATTERS

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

Mr. Mears left the meeting.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Mr. Wisdom reported on SCRMA matters. Director Prade discussed the AWBD winter conference seminars she attended. The Board requested any seminar reports be provided to Mr. Hill for consideration of distribution as part of the District's public education program.

ATTORNEY'S REPORT

Ms. Brook noted ABHR has requested a renewal proposal from the District's current insurance provider, which will be presented for consideration at next month's meeting.

2018 DIRECTORS ELECTION

Ms. Brook discussed procedures related to the 2018 Directors Election. She reviewed an Order Calling Directors Election establishing the procedures for conducting the election.

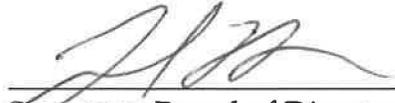
Ms. Brook discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Brazoria County.

Following review and discussion, Director Weary moved to (1) adopt the Order Calling Directors Election and direct that it be filed appropriately and retained in the District's records; and (2) authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Slade seconded the motion, which was approved by unanimous vote.

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. Mr. Hill will submit the notice to the community newsletters.
2. Mr. Hill will submit updates to the District's website as appropriate.
3. Mr. Hill will redesign the Information Kit to a more user friendly format.
4. Mr. Baumgartner will communicate at a regularly scheduled City meeting the Board's request that the City utilize an emergency email/text notification system.
5. Mr. Baumgartner will ask the City to provide information regarding construction at the northwest corner of Kingsley Drive and Shadow Creek Parkway and report back to the District at the next regularly scheduled meeting.
6. Mr. Patterson will communicate to the delinquent tax attorney the District's desire to collect the delinquent taxes from the business that received an abstract of judgement as soon as possible to avoid collection write off.
7. Director Slade will provide AWBD winter conference seminar reports to Mr. Hill for consideration of distribution in the District's public education program.

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