

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 26
Minutes of Meeting of Board of Directors
July 10, 2018

The Board of Directors of Harris County Municipal Utility District No. 26 met at 20810 Lee Road, Humble, Harris County, Texas on July 10, 2018, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

James "Ray" Boudreaux, President
Floyd Green, Vice President
James Buchanan, Secretary
Jake Wofford, Assistant Secretary
Keith McKeand, Director

and all such persons were present, with the exception of Director Green, thus constituting a quorum.

Also present were Bradley Jenkins and Mason Mueller of Jones & Carter, Inc. ("Jones and Carter"); Ken Byrd of Equi-Tax, Inc. ("Equi-Tax"); Mike Williams of Municipal Operations and Consulting, Inc. ("MOC"); Barbara Nussa of Republic Services, Inc. ("Republic"); Sergeant Hinkel, Lieutenant Medina, and Deputy Torres of the Harris County Precinct Four Constable's Office ("HCP4"); Lisa Newsum, Frank Ross, Phillip Newsum, Jonathan Chau, and Sarah Bara, residents of the District; and Spencer Creed of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might come before it.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the June 12, 2018, Board of Directors meeting. Following discussion, Director Buchanan moved that the minutes of the June 12, 2018, Board meeting be approved, as written. Director Wofford seconded the motion, which unanimously carried.

AUDIT REPORT

The Board deferred approval of an audit report for the fiscal year ending April 30, 2018, until the next meeting.

HARRIS COUNTY PRECINCT FOUR CONSTABLE'S OFFICE SECURITY REPORT

Sergeant Hinkel then presented and reviewed the HCP4 security report for the month of June 2018, a copy of which is attached hereto as **Exhibit A**, and responded to questions from the public. No action was taken by the Board at this time.

Sergeant Hinkel, Lieutenant Medina, and Deputy Torres exited the meeting at this time.

COMMENTS FROM THE PUBLIC

Ms. Newsum addressed the Board and made inquiries regarding the status of the recent addition of a deputy to the District's contract with HCP4, the District's annual water quality report, and Republic's waste acceptance protocol, to which the Board and consultants responded.

Mr. Newsum addressed the Board and advised that the screen for the storm water quality feature (trash rack) located near the entrance of Jesse Jones Park appears to be clogged, impacting drainage into Deerbrook Estates. Mr. Williams advised that MOC inspects the screen on a regular basis and that he will review its current condition.

REPUBLIC SERVICES, INC.

As the next order of business, the Board considered a report from Republic concerning solid waste collection activities within the District. Ms. Nussa reviewed with the Board the Customer Service Report, a copy of which is attached hereto as **Exhibit B**. No action was taken by the Board at this time. The Board discussed including another copy of the waste protocol document in future water bills.

TAX ASSESSOR-COLLECTOR REPORT

Mr. Byrd then presented and reviewed the tax assessor-collector's report for May 2018, a copy of which is attached hereto as **Exhibit C**, including the checks presented for payment. After discussion, Director Buchanan moved that the tax assessor's report be approved as presented, including the listed disbursements. Director McKeand seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

Mr. Byrd next presented the District's delinquent tax report dated July 9, 2018, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit D**, and noted that no action was required on the matter at this time.

DEVELOPER'S REPORT

It was noted that no developers of the District were present at the meeting.

UTILITY COMMITMENT REQUEST(S)

Mr. Creed next reported that the District has not received any new requests for utility commitments.

ENGINEERING REPORT

As the next order of business, the Board considered the engineering report. Mr. Jenkins presented to and reviewed with the Board a written engineering report dated July 10, 2018, a copy of which is attached hereto as **Exhibit E**, relative to the status of various projects within the District, and reported as reflected therein. Following discussion, it was moved by Director

Buchanan, seconded by Director Wofford and unanimously carried, that Jones & Carter be authorized to advertise for bids for the Deerbrook Estates drainage channel improvements.

Mr. Jenkins next addressed the Board regarding the status of design of the wastewater treatment plant (the "Plant") and lift station rehabilitation project, including alternative expanded scopes of work. He presented and reviewed three alternative Preliminary Engineer's Estimates of Probable Construction Costs, copies of which are included with the engineering report. He advised that Jones & Carter recommends that the Board authorize proceeding with the design of the improvements shown in Estimate 3, to include an updated scope of work and conversion of the Mill Creek lift station. Director Buchanan stated that he would like to tour the Plant prior to a decision being made on this issue. Mr. Jenkins and Mr. Williams advised that they would coordinate and schedule a tour of the Plant prior to the August meeting for any directors wishing to attend.

Mr. Jenkins advised that the wastewater treatment plant permit has been renewed by the Texas Commission on Environmental Quality, and that the new permit expires on May 9, 2023.

Mr. Jenkins next advised that Jones & Carter has reviewed T-Mobile's site layout detailing the location of the proposed antenna and supporting equipment at Water Plant No. 3, and that they have no comments to the proposed layout. Mr. Creed advised that SPH has provided T-Mobile with comments to their proposed form of lease agreement, and are awaiting a response to same. A discussion ensued concerning the additional lease area and equipment platform being proposed by T-Mobile which is not being utilized by the current lessee for their antenna. Mr. Jenkins advised that Jones & Carter will review that issue and determine how it may impact the amount the District may wish to charge for the lease.

Mr. Newsum and Ms. Newsome exited the meeting at this time.

Mr. Jenkins next advised that Jones & Carter prepared and sent correspondence to Mo's BBQ and FM 1960 Autoplex to request an update as to when they will move forward with utility construction to serve their tracts and to make proper connections to the District's system. He stated that Jones & Carter subsequently received phone calls from the owners of Mo's BBQ and FM 1960 Autoplex, but that they have not yet received a construction schedule. Following discussion, the Board concurred to further discuss this matter at the next meeting.

LEASE AGREEMENT BETWEEN THE DISTRICT AND T-MOBILE

It was noted that this matter was discussed earlier in the meeting, under the engineering report.

Mr. Chau exited the meeting at this time.

OPERATION AND MAINTENANCE REPORT

Mr. Williams then presented to and reviewed with the Board the operations and maintenance report for the month of June 2018, a copy of which is attached hereto as **Exhibit F**.

Mr. Williams recommended that the Board consider authorizing MOC to move certain delinquent accounts in the total amount of \$741.37 to the uncollectible roll, such accounts being listed on the District Write-Offs Report, a copy of which is attached to the operations and maintenance report. After further discussion, it was moved by Director Buchanan, seconded by Director McKeand and unanimously carried, that such accounts be moved to the uncollectible roll as recommended by MOC.

BOOKKEEPING REPORT AND PAYMENT OF BILLS

As the next order of business, Mr. Creed presented to and reviewed with the Board the bookkeeping report prepared by Myrtle Cruz, Inc., including the checks presented for payment from the District's various accounts, the budget for the fiscal year to date, the investment report and the pledged security report, copies of which are attached hereto as **Exhibit G**. After further discussion on the matter, Director Buchanan moved that the Board approve the bookkeeping report and that the disbursements identified therein be approved for payment. Director McKeand seconded the motion, which unanimously carried.

ENGAGEMENT OF ARBITRAGE COMPLIANCE SERVICES

The Board next considered engagement of Arbitrage Compliance Specialists, Inc. ("ACS") to prepare the 5th year computation period report in connection with the District's Series 2014 Unlimited Tax Refunding Bonds, the fee for such service being \$2,950. After discussion on the matter, it was moved by Director Wofford, seconded by Director Buchanan and unanimously carried, that ACS be engaged by the District to prepare the 5th year computation period report in connection with the District's Series 2014 Refunding Bonds and that the President be authorized to execute the engagement letter from ACS on behalf of the Board and the District, a copy of which is attached hereto as **Exhibit H**.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Creed presented to and reviewed with the Board a 911 Statistics Report provided by the Eastex Fire Department for the month of June 2018, a copy of which report is attached hereto as **Exhibit I**. No action was taken by the Board.

Director McKeand next presented to and reviewed a 2018 AWBD Summer Conference Report, a copy of which is attached hereto as **Exhibit J**.

EXECUTIVE SESSION

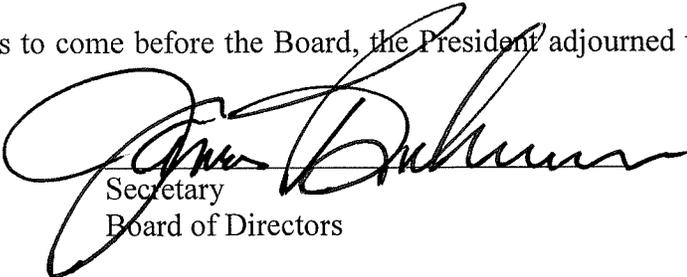
The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071.

POSSIBLE FUTURE AGENDA ITEMS

The Board then considered items for placement on a future agenda. No items were requested to be added to future agendas other than those items hereinabove discussed.

ADJOURNMENT OF MEETING

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



Secretary
Board of Directors

497103

LIST OF ATTACHMENTS TO MINUTES

<u>Exhibit A</u>	Security Report for the month of June 2018
<u>Exhibit B</u>	Customer Service Report prepared by Republic Services, Inc.
<u>Exhibit C</u>	Tax Assessor-Collector's Report
<u>Exhibit D</u>	Delinquent Tax Report
<u>Exhibit E</u>	Engineering Report
<u>Exhibit F</u>	Operations and Maintenance Report
<u>Exhibit G</u>	Bookkeeper's Report
<u>Exhibit H</u>	Engagement Letter - Arbitrage Compliance Specialists, Inc.
<u>Exhibit I</u>	911 Statistics Report provided by the Eastex Fire Department for the month of June 2018
<u>Exhibit J</u>	2018 AWBD Summer Conference Report