

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 26
Minutes of Meeting of Board of Directors
November 13, 2018

The Board of Directors of Harris County Municipal Utility District No. 26 met at 20810 Lee Road, Humble, Harris County, Texas on November 13, 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"); Cindi Oliver of Equi-Tax, Inc. ("Equi-Tax"); Bill Russell of Myrtle Cruz, Inc. ("MCI"); Mike Williams of Municipal Operations and Consulting, Inc. ("MOC"); Barbara Nussa of Republic Services, Inc. ("Republic"); Sergeant Hinkel and Corporal Medina of the Harris County Precinct Four Constable's Office ("HCP4"); Frank Ross and Janet Cardenas, 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 October 9, 2018, Board of Directors meeting. Following discussion, Director Buchanan moved that the minutes of the October 9, 2018, Board meeting be approved, as written. Director McKeand seconded the motion, which unanimously carried.

HARRIS COUNTY PRECINCT FOUR CONSTABLE'S OFFICE SECURITY REPORT

Sergeant Hinkel then presented and reviewed the HCP4 security report for the month of October 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 and Corporal Medina exited the meeting at this time.

COMMENTS FROM THE PUBLIC

Mr. Ross addressed the Board regarding matters related to security. No action was taken by the Board at this time.

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.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Oliver then presented and reviewed the tax assessor-collector's report for October 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 Wofford seconded said motion, which carried unanimously.

DELINQUENT TAX COLLECTIONS ATTORNEY REPORT

With respect to the review of a Delinquent Tax Report from the District's delinquent tax collections attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), Mr. Creed reminded the Board that Perdue provides written reports on a semi-annual basis and stated that no report was received for the current period.

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.

Ms. Nussa and Ms. Oliver exited the meeting at this time.

ENGINEERING REPORT

As the next order of business, the Board considered the engineering report. Mr. Mueller presented to and reviewed with the Board a written engineering report dated November 13, 2018, a copy of which is attached hereto as **Exhibit D**, relative to the status of various projects within the District, and reported as reflected therein. Following discussion of the engineer's report, it was moved by Director Buchanan, seconded by Director Wofford and unanimously carried that the engineering report be approved including execution by the President of the construction

contract for Deerbrook Estates Drainage Channel Improvements awarded to J.T. Vaugh Construction, LLC at the previous meeting,

Mr. Mueller next addressed the Board regarding the status of new utility construction by FM 1960 Autoplex, Inc. He advised that FM 1960 Autoplex, Inc.'s site contractor is proceeding with private site construction. No action was taken by the Board.

STATUS OF APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR APPROVAL OF PROJECT AND BONDS

The Board next discussed the status of the District's application to the TCEQ for approval of project and bonds in connection with the District's Unlimited Tax Bonds, Series 2019. Mr. Mueller advised that Jones & Carter is preparing a draft of the bond application report for review by SPH and the District's financial advisor.

LEASE AGREEMENT BETWEEN THE DISTRICT AND T-MOBILE

Mr. Mueller reminded the Board 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 reminded the Board that SPH provided T-Mobile with comments to their proposed form of lease agreement but have not received a response.

OPERATION AND MAINTENANCE REPORT

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

Mr. Williams recommended that the Board consider authorizing MOC to move certain delinquent accounts in the total amount of \$4,403 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 Wofford and unanimously carried, that such accounts be moved to the uncollectible roll as recommended by MOC.

Mr. Russell entered the meeting at this time.

BOOKKEEPING REPORT AND PAYMENT OF BILLS

As the next order of business, Mr. Russel presented to and reviewed with the Board the bookkeeping report prepared by MCI, 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 E**. After further discussion on the matter, Director McKeand moved that the Board approve the bookkeeping

report and that the disbursements identified therein be approved for payment. Director Buchanan seconded the motion, which unanimously carried.

STATUS OF NEW UTILITY CONSTRUCTION BY FM 1960 AUTOPLEX, INC.

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

AUTHORIZE FILING OF EMINENT DOMAIN REPORT WITH THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Mr. Creed next advised the Board that Chapter 2206 of the Texas Government Code requires each public and private entity in the State of Texas authorized to exercise the power of eminent domain to file a report with the Comptroller before February 1 of each year. Following discussion on the matter, Director McKeand moved that SPH be authorized to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2019. Director Buchanan seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In that regard, Mr. Creed provided the Board with an update concerning the District's electricity contract for certain District facilities, as discussed at the previous meeting. He reminded the Board that it previously authorized the President to coordinate with Enhanced Energy Services of America, LLC ("EES") on behalf of the District to secure a fixed priced electricity contract for a sixty (60) month term with an electricity supplier acceptable to EES, at a rate not to exceed \$0.04275 per kWh and with EES' included fee set at \$0.0015 per kWh, and that SPH be authorized to review the contract once available on behalf of the District. Mr. Creed advised that following the Board's previous meeting, EES secured an electricity price of \$0.042742 per kWh for the sixty month period (May 2019 – April 2024), and that the contract with TXU Energy Retail Company, LLC ("TXU") has been executed by TXU and the District.

Mr. Creed next advised the Board of a Public Information Act request received by the District, and SPH's response thereto on behalf of the District.

Mr. Ross and Ms. Cardenas exited the meeting at this time.

The Board discussed certain administrative matters. No action was taken by the Board at this time.

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

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LIST OF ATTACHMENTS TO MINUTES

<u>Exhibit A</u>	Security Report for the month of October 2018
<u>Exhibit B</u>	Customer Service Report provided by Republic Services, Inc.
<u>Exhibit C</u>	Tax Assessor-Collector's Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Operations and Maintenance Report
<u>Exhibit F</u>	Bookkeeper's Report