

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 26**  
**Minutes of Meeting of Board of Directors**  
**May 14, 2019**

The Board of Directors of Harris County Municipal Utility District No. 26 met at 20810 Lee Road, Humble, Harris County, Texas on May 14, 2019, 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 Mason Mueller and Bradley Jenkins of Jones & Carter, Inc. ("Jones and Carter"); Cindi Oliver Winski of Equi-Tax, Inc. ("Equi-Tax"); Bill Russell of Myrtle Cruz, Inc. ("MCI"), who entered later in the meeting as noted herein; Michael Williams of Municipal Operations and Consulting, Inc. ("MOC"); Barbara Nussa of Republic Services, Inc. ("Republic"); Michael Willett of Touchstone District Services ("Touchstone"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Sergeant Hinkel and Corporal Alejo of the Harris County Precinct Four Constable's Office ("HCP4"); Frank Ross, who entered later in the meeting as noted herein, and Sara Bara, each residents of the District; and Spencer Creed and Kate Henderson 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.

**SUPPLEMENTAL AGENDA**

**CANVAS RETURNS OF BOND AND MAINTENANCE TAX ELECTION**

In connection with the Bond and Maintenance Tax Election (the "Election") held on May 4, 2019, the Election returns were presented to the Board along with all other instruments required in connection with said Election, all of which were examined and canvassed by the Board and found to be proper, legal and regular in all respects. Upon inspection of same, it was determined that the propositions for the (i) authorization of the District to issue \$96,500,000 water, sanitary sewer and drainage bonds, (ii) authorization of the District to issue \$96,500,000 refunding bonds, and (iii) authorization of the District to issue a maintenance tax not to exceed \$0.50 had all carried; that all legal requirements for the ordering of such Election had been met; and that said Election had been legally held and consummated in all respects. It was moved by Director McKeand, seconded by Director Buchanan and unanimously carried, that the Order Declaring Results of Bond and Maintenance Tax Election, attached hereto as **Exhibit A**, be passed and adopted.

**AMENDMENT TO THE DISTRICT'S FIFTH AMENDED AND RESTATED DISTRICT INFORMATION FORM**

The Board next considered approval of an amendment to the District's Fifth Amended and Restated District Information Form relative to the bonds authorized as a result of the Election (the "Form"). Mr. Creed presented and reviewed said Form with the Board. After discussion regarding said Form, Director McKeand moved that the Form be approved and that the Board members present be authorized to execute same on behalf of the Board and District. Director Buchanan seconded said motion, which unanimously carried.

**APPROVAL OF MINUTES**

The Board next considered approval of the minutes of the April 9, 2019, and April 17, 2019, Board of Directors meetings. Following discussion, Director Buchanan moved that the minutes of the April 9, 2019, and April 17, 2019, Board meetings be approved, as written. Director McKeand seconded the motion, which unanimously carried.

**RECEIVE AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$1,630,000 UNLIMITED TAX BONDS, SERIES 2019**

As the next order of business, it was announced that, pursuant to notice published as required by law, public bids for the sale of the District's \$1,630,000 Unlimited Tax Bonds, Series 2019 (the "Bonds") would be received at this time and place. Ms. Moran announced that six (6) bids had been received for the purchase of the Bonds and presented a bid tabulation sheet to the Board, a copy of which is attached hereto as **Exhibit B**. She then reported that Masterson had confirmed the accuracy of the bids, that the low bid was submitted by Raymond James & Associates, Inc. at a net effective interest rate of 2.782946%, and that Masterson is recommending award of the bid to Raymond James & Associates, Inc. After a discussion of the bids received, Director Buchanan moved that the Board accept the low bid of Raymond James & Associates, Inc. for the purchase of the Bonds at a net effective interest rate of 2.782946%. Director McKeand seconded said motion, which unanimously carried.

**ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE BONDS**

There was next presented to the Board for consideration a Bond Order, authorizing the issuance, sale and delivery of the Bonds, and prescribing the terms thereof. Mr. Creed reviewed various provisions of the Bond Order with the Board, which Order is attached hereto as **Exhibit C**. After discussion, it was duly moved by Director Buchanan, seconded by Director Wofford and unanimously carried, that the attached Bond Order be passed and adopted and that the President be authorized to execute the Bond Order and the Secretary to attest same on behalf of the Board and the District.

**FINAL OFFICIAL STATEMENT**

As the next order of business, there was a discussion regarding the completion of the Final Official Statement to be prepared by Masterson, as the District's financial advisor, in connection with the sale of the Bonds. After further discussion of the matter, Director Buchanan moved that the financial advisor be authorized to complete the Final Official Statement, dated as

of the meeting date, that said Final Official Statement be approved by the Board and the District, and that distribution of same by Masterson be authorized. Director McKeand seconded said motion, which carried unanimously.

### **PAYING AGENT/REGISTRAR AGREEMENT**

The Board next considered and reviewed a Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. relative to the Bonds. Mr. Creed reviewed the various provisions of the Agreement with the Board. After discussion, Director Buchanan moved that the Agreement be approved and that the President be authorized to execute the Agreement on behalf of the Board and the District. Director McKeand seconded said motion, which carried unanimously.

### **OTHER MATTERS CONCERNING THE BONDS**

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Bonds, including authorizing the execution of various documents by the President and Secretary in connection therewith. Mr. Creed presented to and reviewed with the Board the General Certificate, Signature and No-Litigation Certificate, the letter of instruction to the Attorney General, the Initial Bonds, and other documents relating to the sale of and closing on the Bonds. After further discussion of the matter, Director Buchanan moved that the President and Secretary be authorized to execute said documents and that SPH be authorized to handle all matters in connection with the sale of the Bonds and filing of a transcript with the Attorney General of the State of Texas. Director McKeand seconded said motion, which unanimously carried.

Mr. Ross entered the meeting at this time.

### **HARRIS COUNTY PRECINCT FOUR CONSTABLE'S OFFICE SECURITY REPORT**

Corporal Alejo then presented and reviewed the HCP4 security report for the month of April 2019, a copy of which is attached hereto as **Exhibit D**, and responded to questions from the Board and public. No action was taken by the Board at this time.

Sergeant Hinkel and Corporal Alejo exited the meeting at this time.

### **COMMENTS FROM THE PUBLIC**

Ms. Bara addressed the Board regarding how the District compares to other districts in terms of the various rates charged to their respective customers. No action was taken by the Board at this time. It was noted that Director Wofford would be discussing Ms. Bara's questions with her.

Mr. Ross next addressed the Board and inquired as to whether there are plans to install a sidewalk along Lee Road that extends to FM 1960. The Board noted that installation of a sidewalk along Lee Road would be a Harris County Project. No action was taken by the Board at this time.

Ms. Bara exited the meeting 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 E**. No action was taken by the Board at this time.

Mr. Russell entered the meeting at this time.

Ms. Moran exited the meeting at this time.

**TAX ASSESSOR-COLLECTOR REPORT**

Ms. Oliver Winski then presented and reviewed the tax assessor-collector's report for April 2019, a copy of which is attached hereto as **Exhibit F**, 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 Winski 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 May 14, 2019, a copy of which is attached hereto as **Exhibit G**, 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 McKeand and unanimously carried that the engineering report and all action items therein be approved, including approval of Pay Estimate

No. 4 in the amount of \$36,745.71 to J.T. Vaughn Construction, LLC in connection with the Deerbrook Estates drainage channel improvement project.

Mr. Mueller next presented a copy of the report prepared by Jones & Carter concerning inspection of the District's water plant facilities, a copy of which is included with the engineering report. The Board agreed to review the report and further discuss same at the next meeting.

A discussion ensued regarding the Professional Services Agreement (the "PSA") between the District and Jones & Carter, approved by the Board at the previous meeting, and the associated rate adjustments contained therein. Director Buchanan recommended that the Board consider comparing Jones & Carter's rates to those of other engineering firms, and expressed his concerns regarding the Board's evaluation of the PSA. Mr. Jenkins addressed the Board at this time and responded to inquiries from Director Buchanan regarding the PSA and the rates charged by Jones & Carter. Following discussion, the remainder of the Board concurred that they were satisfied with the PSA and that no action be taken at this time. Director Buchanan noted for the record that he was not satisfied.

Mr. Ross exited the meeting at this time.

#### **LEASE AGREEMENT BETWEEN THE DISTRICT AND T-MOBILE**

Mr. Creed advised that the District has received a revised lease from T-Mobile and SPH is currently reviewing same. The Board deferred approval of the lease until its next meeting.

#### **OPERATION AND MAINTENANCE REPORT**

Mr. Williams then presented to and reviewed with the Board the operations and maintenance report for the month of April 2019, a copy of which is attached hereto as **Exhibit H**.

Mr. Williams recommended that the Board consider authorizing MOC to move certain delinquent accounts in the total amount of \$1,330.67 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.

#### **CONSUMER CONFIDENCE REPORT ("CCR")**

As the next order of business, the Board considered the approval of the District's CCR and authorization of the distribution of same to customers of the District. Mr. Creed advised the Board that, pursuant to CCR requirements promulgated by the Environmental Protection Agency and the Texas Commission on Environmental Quality (the "TCEQ"), the District is required to provide a report to all customers of the District by July 1 of each year, containing various information regarding the District's water supply. Mr. Williams advised that MOC plans again this year to make the CCR available to customers electronically as authorized under the applicable regulations, and noted that a copy of the CCR is included with the operations and maintenance report. After discussion on the matter, Director McKeand moved that such CCR be

approved by the Board, subject to SPH's final review and approval, and that MOC be authorized to distribute same to the District's consumers prior to the July 1, 2019, deadline. Director Buchanan seconded said motion, which carried unanimously.

### **BOOKKEEPING REPORT AND PAYMENT OF BILLS**

As the next order of business, Mr. Russell 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 I**. 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, including additional checks payable to the Attorney General of Texas and Off Cinco, L.L.C. Director McKeand seconded the motion, which unanimously carried.

### **UNCLAIMED PROPERTY REPORT**

The Board deferred approval of an Unclaimed Property Report until the next meeting.

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

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.

### **ATTORNEY'S REPORT**

The Board next considered the attorney's report. In that regard, Mr. Creed presented and reviewed the Arbitrage Rebate Calculation Report for the fifth year computation period for the District's Series 2014 Refunding Bonds prepared by Arbitrage Compliance Specialists, Inc. Mr. Creed presented and reviewed such report with the Board, a copy of which is attached hereto as **Exhibit J**, and noted that, according to the report, no action was required by the Board at this time.

Mr. Creed next presented and reviewed with the Board a website analytic report prepared by Off Cinco, L.L.C., a copy of which is attached hereto as **Exhibit K**. No action was taken by the Board at this time.

Mr. Creed next discussed with the Board the provisions of the proposed Senate Bill 239 relating to meetings for certain special purpose districts. No action was taken by the Board at this time.

### **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. Director Buchanan requested that an item be added to consider approval of a formal public comment policy.

Mr. Willet addressed the Board at this time on behalf of Touchstone concerning the services provided to the District in the Election. Mr. Willet advised that Touchstone will be happy to submit a proposal for additional community outreach services upon request by the Board.

**ADJOURNMENT OF MEETING**

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

  
Secretary  
Board of Directors

520806

LIST OF ATTACHMENTS TO MINUTES

<u>Exhibit A</u>	Order Declaring Results of Bond and Maintenance Tax Election
<u>Exhibit B</u>	Bid Tabulation
<u>Exhibit C</u>	Bond Order
<u>Exhibit D</u>	Security Report for the month of April 2019
<u>Exhibit E</u>	Customer Service Report provided by Republic Services, Inc.
<u>Exhibit F</u>	Tax Assessor-Collector's Report
<u>Exhibit G</u>	Engineering Report
<u>Exhibit H</u>	Operations and Maintenance Report
<u>Exhibit I</u>	Bookkeeper's Report
<u>Exhibit J</u>	Report provided by Arbitrage Compliance Specialists, Inc.
<u>Exhibit K</u>	Website Analytic Report