

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 26
Minutes of Meeting of Board of Directors
September 11, 2018

The Board of Directors of Harris County Municipal Utility District No. 26 met at 20810 Lee Road, Humble, Harris County, Texas on September 11, 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"), who entered later in the meeting as noted herein; Bill Russell of Myrtle Cruz, Inc. ("MCI"), who entered later in the meeting as noted herein; 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"); Anthea Moran of Masterson Advisors LLC ("Masterson"), who entered later in the meeting as noted herein; Jonathan Chau and Frank Ross, 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 August 14, 2018, Board of Directors meeting. Following discussion, Director Buchanan moved that the minutes of the August 14, 2018, Board meeting be approved, as written. Director McKeand seconded the motion, which unanimously carried.

HARRIS COUNTY PRECINCT FOUR CONSTABLE'S OFFICE SECURITY REPORT

Corporal Medina then presented and reviewed the HCP4 security report for the month of August 2018, a copy of which is attached hereto as **Exhibit A**, and responded to questions from the public. Corporal Medina updated the Board concerning the concerns raised last meeting by Ms. Bara about her experience in contacting HCP4. No action was taken by the Board at this time.

Ms. Moran entered the meeting during the presentation of the security report.

Mr. Russell entered the meeting at this time.

Ms. Oliver exited the meeting at this time.

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 September 11, 2018, 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.

Mr. Jenkins advised that the District is in receipt of a request for an encroachment agreement for the proposed Krispy Kreme located on the south side of FM 1960 Bypass West Road, west of Kenswick Drive. He noted that a draft of the exhibit to the agreement is included with the engineering report, and advised that paving, a monument sign, and irrigation lines for the Krispy Kreme will encroach upon certain District easements. The Board then considered the approval of a Consent to Encroachment and Indemnity Agreement between the District and Dulce Holdings LLC. After discussion on the matter, Director Buchanan moved that the Board approve entering into a Consent to Encroachment and Indemnity Agreement with Dulce Holdings LLC, subject to the completion of same and finalization of the exhibit, that the President be authorized to execute same on behalf of the Board and the District, and that the associated Texas Ethics Commission ("TEC") Form 1295 be accepted and acknowledged by SPH. Director Wofford seconded the motion, which unanimously carried.

Mr. Jenkins next addressed the Board regarding the status of new utility construction by Mo's BBQ and FM 1960 Autoplex, Inc. He advised that construction of the private utilities for Mo's BBQ is complete, and that FM 1960 Autoplex, Inc.'s site contractor is scheduled to proceed with private site construction and has completed one sanitary sewer service connection. No action was taken by the Board.

LEASE AGREEMENT BETWEEN THE DISTRICT AND T-MOBILE

Mr. Jenkins 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 August 2018, 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 \$1,494.32 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 McKeand, seconded by

Director Wofford and unanimously carried, that such accounts be moved to the uncollectible roll as recommended by MOC.

Mr. Williams advised that a settlement payment had been received from the Federal Emergency Management Agency for \$23,928.72, in connection with the costs incurred by the District associated with Hurricane Harvey.

Mr. Williams advised the Board that a request was received from a District resident, B.J. Weikel who resides at 8330 Poplar Ridge Lane, for an adjustment to their water bill due to high water usage. He reported that MOC personnel have confirmed the meter appears to be accurately registering water usage at the residence. Mr. Williams advised the customer has indicated there was a toilet leak at the residence but it has now been repaired. Following discussion of the relative facts and circumstances, Director Buchanan moved that the resident's request be denied. The motion carried with Directors Buchanan, Wofford, and Boudreaux voting in favor of such motion, and Director McKeand abstaining.

Additional discussions ensued concerning the Board's decision on the customer's request. Following discussion, the Board took no further action.

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 I**. 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 Wofford seconded the motion, which unanimously carried.

Mr. Ross exited the meeting at this time.

STATUS OF NEW UTILITY CONSTRUCTION BY MO'S BBQ AND FM 1960 AUTOPLEX, INC.

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

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Creed presented and reviewed with the Board electricity pricing information provided by Enhanced Energy Services of America, LLC ("EES"), a copy of which is attached hereto as **Exhibit J**. The Board requested that Mr. Ciarella of EES attend the October meeting to further discuss this matter.

EXECUTIVE SESSION

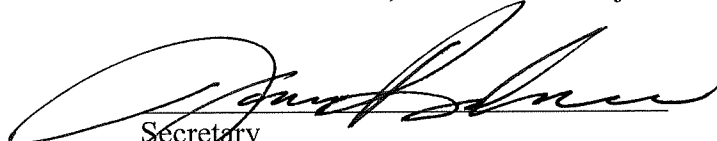
The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071.

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

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LIST OF ATTACHMENTS TO MINUTES

<u>Exhibit A</u>	Security Report for the month of August 2018
<u>Exhibit B</u>	Correspondence from the Harris County Precinct 4 Constable's Office
<u>Exhibit C</u>	2018 Tax Rate Recommendation
<u>Exhibit D</u>	Continuing Disclosure Report
<u>Exhibit E</u>	Customer Service Report prepared 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>	Electricity pricing information provided by Enhanced Energy Services of America, LLC