

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 26
Minutes of Meeting of Board of Directors
July 9, 2019

The Board of Directors of Harris County Municipal Utility District No. 26 met at 20810 Lee Road, Humble, Harris County, Texas on July 9, 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 McKeand, who entered later in the meeting as noted herein, and 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; Mike Williams of Municipal Operations and Consulting, Inc. ("MOC"); Barbara Nussa of Republic Services, Inc. ("Republic"); Lieutenant Medina and Deputy Brown of the Harris County Precinct Four Constable's Office ("HCP4"); Lisa Newsum, who entered later in the meeting as noted herein, Frank Ross, and Sara Bara, all 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 11, 2019, Board of Directors meeting. Following discussion, Director Buchanan moved that the minutes of the June 11, 2019, Board meeting be approved, as written. Director Wofford seconded the motion, which unanimously carried.

HARRIS COUNTY PRECINCT FOUR CONSTABLE'S OFFICE SECURITY REPORT

Lieutenant Medina then presented a verbal security report for the month of June 2019, and responded to questions from the Board and public. No action was taken by the Board at this time.

Lieutenant Medina and Deputy Brown exited the meeting at this time.

AUDIT REPORT FOR FISCAL YEAR ENDED APRIL 30, 2019

The Board deferred approval of the District's audit report for the fiscal year ended April 30, 2019, until the next meeting.

COMMENTS FROM THE PUBLIC

Ms. Bara addressed the Board and inquired as to what portion of the costs included within the District's current water and sewer rates are allocated for security and solid waste collection services provided through the District. Ms. Nussa advised that a total of \$13.22 per home per month is the current rate for solid waste collection services. Mr. Creed stated that he would research how much of the security patrol funding has been included in the base water rate, and will report back to Ms. Bara.

Director McKeand entered 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 A**. No action was taken by the Board at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Oliver Winski then presented and reviewed the tax assessor-collector's report for June 2019, a copy of which is attached hereto as **Exhibit B**, 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

Mr. Creed next presented the District's delinquent tax report dated July 9, 2019, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit C**, and noted that no action was required thereon by the Board at this time.

Ms. Oliver Winski exited the meeting 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.

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

Mr. Russell entered 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 July 9, 2019, 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.

Mr. Mueller addressed the Board regarding the status of design of the wastewater treatment plant and lift station rehabilitation project. He noted that a copy of the preliminary cost estimate of the proposed scope of sanitary sewer rehabilitation that was previously presented to the Board is included with the engineering report. Mr. Mueller advised that the District has approximately \$350,000 remaining in bonds funds that were previously allocated towards this project, and that a future bond issue will be required to fund the remainder of the project. He then presented a draft summary of costs for the District's next bond application report, a copy of which is included with the engineering report. A discussion ensued regarding the proposed projects to be included in the next bond issue, and adjustments to be made to the summary of costs. Following discussion, Director Buchanan moved that Jones and Carter (i) be authorized to begin design of the replacement of the motor control centers at Water Plant Nos. 1-2, with such project to be funded through surplus construction funds and (ii) revise the cost summary for the proposed bond issue to remove the motor control centers and adjust the dewatering system improvements as discussed. Director Wofford seconded the motion, which unanimously carried.

Ms. Newsum entered the meeting at this time.

LEASE AGREEMENT BETWEEN THE DISTRICT AND T-MOBILE

Mr. Creed advised that T-Mobile has requested to inspect the District's elevated storage tank site prior to executing the pending lease agreement. Following discussion, Director McKeand moved that representatives of T-Mobile be authorized to inspect the site, subject to such inspection being coordinated with MOC. Director Buchanan seconded the motion, which unanimously carried. The Board deferred approval of the lease agreement 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 June 2019, 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 \$794.06 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 next advised that the belt press located at the wastewater treatment plant has been repaired, as authorized by the Board at the previous meeting. It was noted that the District has surplus construction funds that can be allocated towards this project. Mr. Creed advised that an item would be added to the next agenda to consider such allocation.

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 F**. 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.

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. No action was taken by the Board.

RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board deferred the adoption of a Resolution Authorizing Use of Surplus Construction Funds until the next meeting.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In that regard, Mr. Creed advised that the District is in receipt of correspondence from the Texas Commission on Environmental Quality, a copy of which is attached hereto as **Exhibit G**, advising that it has received a copy of the District's updated Drought Contingency Plan.

Mr. Creed next advised the Board that SPH has prepared a summary of the 86th Texas Legislative Session, a copy of which is attached hereto as **Exhibit H**. Mr. Creed reviewed certain of the listed bills with the Board.

PUBLIC COMMENTS

Ms. Newsum next addressed the Board with questions related to maintenance of the drainage channel located within Deerbrook Estates, the status of emergency backup power for the District's facilities, and the security report, to which the Board and consultants responded.

EXECUTIVE SESSION

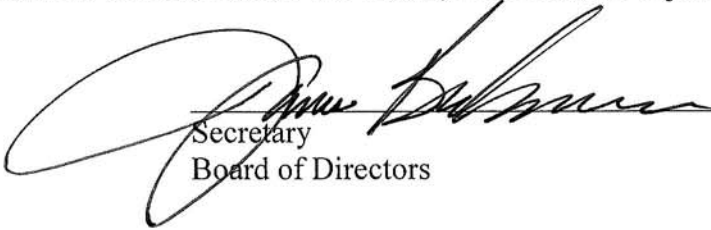
The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071.

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>	Customer Service Report provided by Republic Services, Inc.
<u>Exhibit B</u>	Tax Assessor-Collector's Report
<u>Exhibit C</u>	Delinquent Tax Report
<u>Exhibit D</u>	Engineering Report
<u>Exhibit E</u>	Operations and Maintenance Report
<u>Exhibit F</u>	Bookkeeper's Report
<u>Exhibit G</u>	Correspondence from the Texas Commission on Environmental Quality
<u>Exhibit H</u>	Summary of the 86 th Texas Legislative Session