

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

December 3, 2013

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 26 (the "District") met in regular session, open to the public, on the 3rd day of December, 2013, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael Parks	President
Herbert Fain	Vice President
Melissa Slade	Secretary
Caralynn Prade	Assistant Vice President
Fred E. Weary, Jr.	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Officer David Pratt of the City of Pearland (the "City") Police Department; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); David Patterson of Assessments of the Southwest, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Hannah Brook, Kristen Hogan, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 5, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Prade moved to approve the minutes of the November 5, 2013, meeting, as presented. Director Fain seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He next reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is included in the tax assessor/collector's report. After review and discussion, Director Prade moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the tax bills. Director Slade seconded the motion, which passed unanimously.

## PREPARATION OF ANNUAL REPORT

Ms. Brook stated that the District is required to file updated financial information and operating data in the form of an annual report with the EMMA System, as designated by the Municipal Securities Rulemaking Board. She requested authorization for ABHR to work with the District's consultants to prepare the report. Following discussion, Director Prade moved to authorize preparation of the annual report. Director Slade seconded the motion, which passed unanimously.

## SECURITY SERVICES REPORT, INCLUDING REPORT FROM SCRMA ON INSTALLATION OF CAMERAS

Officer Pratt reported on security in Shadow Creek Ranch and reviewed the written security report submitted in advance of today's meeting. A copy of the security report is attached. Officer Pratt then responded to questions from the Board.

In response to a question from Director Weary, Ms. Brook said no additional information has been received from Shadow Creek Ranch Maintenance Association ("SCRMA") regarding installation of cameras in the Shadow Creek Ranch area.

Director Slade reported on discussions with SCRMA regarding the possibility of adding nighttime patrols and said SCRMA does not believe additional patrols are necessary at this time. She also noted previous discussions with Officer Lucas regarding a limitation on officers available for additional patrols.

After review and discussion, Director Prade moved to accept the security report. Director Slade seconded the motion which passed unanimously.

## DEVELOPMENT IN THE DISTRICT

The Board did not receive a report on development in the District.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the District's Travel Reimbursement Guidelines and considered establishing travel guidelines for the upcoming Association of Water Board Directors ("AWBD") winter conference in Dallas on January 17-19, 2014. After review and discussion, Director Prade moved to establish maximum limits of three director fees of office, two nights of lodging, and reasonable and necessary meals for any director attending the AWBD winter conference. Director Slade seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report, budget comparison, debt service payment schedule, and list of checks presented for approval, a copy of which is attached.

The Board considered appointing Mary Jarmon of MCI as the District's new Investment Officer since the District's prior Investment Officer, Erin Garcia, has submitted her resignation from MCI. Ms. Brook presented a Resolution Appointing Investment Officer for the Board's consideration.

Ms. Brook stated that in accordance with the District's Investment Policy, Ms. Jarmon, as the District's new Investment Officer, is required to execute a statement that discloses any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statement will be filed with the Texas Ethics Commission. Ms. Brook presented the executed disclosure statement for the Board's consideration.

Ms. Brook stated that Exhibit A to the District's Depository Pledge Agreements with Wells Fargo Bank and Compass Bank must be updated to reflect the District's new bookkeeper and Investment Officer as authorized persons to handle District funds. She presented the amended exhibits for execution and consideration.

After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills, adopt the Resolution Appointing Investment Officer to appoint Ms. Jarmon as the District's Investment Officer, accept the disclosure statement from Ms. Jarmon pursuant to the District's Investment Policy and the Public Funds Investment Act, authorize execution of the amended exhibits to the District's Depository Pledge Agreements, and direct that such documents be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed unanimously.

## RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported that City Council approved the Interlocal Agreement with the City for installation of temporary multi use ball fields. She also reported that the City is reviewing its plans and timeline to consider funding for water, sewer, and drainage facilities to serve the various phases of the city's park plan. Ms. Brook stated that the District's bond application no. 7 is on hold, pending determination of including water, sewer, and drainage facilities for one or more phases of the City's park plan.

Ms. Brook presented a proposed agreement between the District and SCRMA for SCRMA to maintain the temporary multi use ball fields. Director Slade requested a drawing or layout of the area to be maintained to provide SCRMA with a preliminary

preliminary indication of budgetary requirements. Director Weary noted he had surveyed another field of similar acreage and would continue to collect data to submit to SCRMA.

Following review and discussion, Director Prade moved to approve the Maintenance and Operations Agreement with SCRMA and direct that, once fully executed, it be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed by unanimous vote.

#### ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Ross had no updates for construction of the water, sewer, and drainage to serve SF-64.

Mr. Ross discussed the District's bond application no. 7, which is being prepared by Jones-Heroy & Associates, Inc. Ms. Brook noted the District is waiting for the City to make a decision regarding funding for the utilities to serve one or more phases of the City's park plan. Ms. Brook reviewed an updated Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds.

Following review and discussion, Director Prade moved to approve the engineer's report and adopt the updated Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds and direct that the Resolution be filed appropriately and retained in the District's official records in lieu of the resolution previously adopted. Director Slade seconded the motion, which carried unanimously.

#### ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a website statistics report for November, a copy of which is attached.

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Area Community Newsletter, *The Connection* newsletter, and on the District's page of the website. After discussion, the Board directed ABHR to submit the District's standard notice for inclusion in the January newsletters.

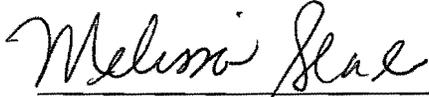
REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Slade reported she did not accept the job offered by SCRMA. She discussed her plans to run for Justice of the Peace in 2016, noting that campaigning for her candidacy will commence in 2014.

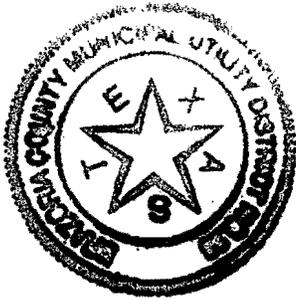
COMMENTS FROM THE PUBLIC

There were no members of the public who wished to address the Board.

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

  
Secretary, Board of Directors

(SEAL)



ACTION LIST

1. Director Weary will collect data regarding the scope of maintenance for the temporary multi use ball fields to submit to SCRMA for budgetary planning.
2. ABHR will submit the requested notice for the newsletters.

LIST OF ATTACHMENTS TO MINUTES

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