

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

February 3, 2015

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 3<sup>rd</sup> day of February, 2015, 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 Tayo Ilori of McGrath & Co., PLLC ("McGrath"); Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Bob DeForest of KGA/DeForest Design, L.L.C.; Officer Natisha Lucas of City of Pearland (the "City") Police Department; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 6, 2015, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the January 6, 2015, regular meeting as presented. Director Fain seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Lucas reviewed a written security report submitted in advance of today's meeting. A copy of the security report is attached. Ms. Brook reported Sergeant Dave Pratt submitted his resignation from the District and from Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB1") as patrol officer and coordinating officer. Ms. Brook stated the Security Patrol and Coordination Services Agreement designating Officer Lucas as the new coordinating officer was ready to be signed. Ms. Brook noted Officer Lucas's pay has increased from \$30 per hour as stated in the previous agreement from 2011 to \$40 per hour. Officer Lucas reported on changes in the staff of police

officers available for District patrol and requested the Board approve the addition of five new officers.

Following discussion, Director Prade moved to accept the resignation of Sergeant Pratt from the District as patrol officer and coordinating officer; (2) approve entering into a Security Patrol and Coordination Services Agreement with BFB1 to designate Officer Lucas as the coordinating officer at a pay rate of \$40 per hour; and (3) approve entering into an Amended and Restated Security Patrol Agreement with BFB1 and add five additional police officers appointed by Officer Lucas. The motion was seconded by Director Fain, and carried by unanimous vote.

Mr. Norton reported the Board of SCRMA is considering locations for posting surveillance signs that provide notice of videotaping in the area for security reasons. In response to a question from the Board, Mr. Norton confirmed getting the signs up and the security cameras functioning at full capacity is a priority for the Board of SCRMA. He also confirmed the Board of SCRMA receives the same security reports presented at District meetings. Mr. Norton reported on the delay in bringing DSL to the cameras and confirmed there is no live feed but Police do have access to the video recordings. Mr. Norton stated he and Ms. Maria Shaw are monitoring the situation but that the District must wait on Comcast to arrive and provide service. Discussion ensued. Following discussion, the Board directed SCRMA to contact the office of Texas State Representative Ed Thompson and explain the situation as a public safety issue and request the office contact Comcast to expedite the delivery of service for that reason.

#### DEVELOPMENT IN THE DISTRICT

There was no discussion on this topic.

#### ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT THE AWBD SUMMER CONFERENCE

The Board discussed the AWBD winter conference. Ms. Garcia noted the directors' expenses were submitted in accordance with the District's travel guidelines. After review and discussion, Director Prade moved to approve reimbursement of eligible expenses for the winter conference and authorize all interested directors to attend the AWBD summer conference. Director Fain seconded the motion, which carried by unanimous vote.

Officer Lucas left the meeting.

#### BOOKKEEPER AND 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. Ms. Garcia noted a transfer from the capital projects account to the operating account in the amount of \$16,176 for unreimbursed engineering invoices for the preparation of bond application no. 7, which were shown due to the operating account as a result of the District's audit. After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills. Director Fain seconded the motion, which passed unanimously.

#### APPROVE AUDIT

Mr. Ilori reviewed the District's audit for fiscal year ending September 30, 2014. Following review and discussion, Director Parks moved to approve the audit for fiscal year ending September 30, 2014, subject to final comments by the Board and consultants, and direct that the audit be filed appropriately and retained in the District's official records. Director Prade seconded the motion, which was approved by unanimous vote.

The Board considered authorizing McGrath to prepare the developer reimbursement report for bond application no. 8. After discussion, Director Prade moved to authorize McGrath to prepare the developer reimbursement report for bond application no. 8. Director Fain seconded the motion, which passed by unanimous vote.

Ms. Humphries left the meeting.

#### 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 noted 86.36% of the 2014 taxes had been collected as of January 31, 2015. Mr. Patterson next reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached. 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 Fain seconded the motion, which passed unanimously.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. DeForest stated bids for the construction of the temporary ball fields are being prepared and will be presented at the February 6, 2015, meeting of BFB1. Mr. DeForest presented and reviewed a summary of comments from the City regarding the site plan for construction of the temporary ball fields, a copy of which is attached. Mr. DeForest said the comments are directed at a permanent facility and that he will meet with City Park Director Michelle Graham to intercede with the other City departments who have commented regarding the temporary nature of the project. Mr. DeForest recommended the District not accept the alternate bid item of irrigation and instead use a drop truck as needed to water the fields. Mr. DeForest recommended the District engage LJA to review and provide the engineer's seal as required by the City.

Ms. Humphries presented a Cost Sharing Agreement for Construction of Temporary Ball Fields in Shadow Creek Ranch Sports between the District and BFB1 to share equally among the two Districts the cost of constructing the temporary ball fields, which was previously approved. Ms. Humphries presented a Maintenance and Scheduling Agreement for Temporary Ball Fields in the Shadow Creek Ranch Regional Sports Park (the "Maintenance and Scheduling Agreement") which stipulates that SCRMA will be responsible for scheduling usage of the temporary ball fields and mowing the temporary ball fields once installed. Ms. Humphries stated the Maintenance and Scheduling Agreement includes consent by BFB1 to acknowledge the Agreement. After discussion, the Board concurred to (1) address the Board at the next SCRMA meeting to explain why SCRMA should authorize execution of the Maintenance and Scheduling Agreement; and (2) authorize a special meeting for Directors to attend BFB1's February 6, 2015, Board meeting to discuss the progress of and answer questions regarding park projects underway in the District and BFB1, including the aforementioned Agreements, the temporary ball fields, and the construction of the public water, sewer, and drainage facilities to serve the Shadow Creek Ranch Sports Park. Following review and discussion, Director Prade moved to (1) engage LJA to review and provide the engineer's seal as required by the City regarding construction of the temporary ball fields; (2) reapprove the Cost Sharing Agreement for Construction of Temporary Ball Fields in Shadow Creek Ranch Sports between the District and BFB1 for equal sharing of the cost of constructing the temporary ball fields; and (3) approve the Maintenance and Scheduling Agreement, which stipulates that SCRMA will be responsible for scheduling usage of the temporary ball fields and mowing the temporary ball fields once installed. The motion was seconded by Director Fain and passed unanimously.

#### ENGINEERING MATTERS

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

Mr. Ross stated bond application no. 8 is being prepared and requested the Board adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds.

Ms. Brook presented and reviewed an Access Easement with Frost Bank for the construction of a pedestrian bridge over a drainage channel located in the District. Mr. Ross said he has reviewed the Access Easement and recommends the Board accept the Easement.

Following review and discussion, Director Prade moved to approve the engineer's report and, based upon the engineer's recommendation, (1) adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds and direct that it be filed appropriately and

retained in the District's official records; and (2) accept the Access Easement with Frost Bank. Director Fain seconded the motion, which passed unanimously.

STORM WATER PERMIT TXRQ40000

There were no updates to report for this item.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Community Newsletter, *The Connection*, and revisions to the District's website. After discussion, the Board concurred to request ABHR post the standard notice to the newsletter and the District's website. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No reports were given.

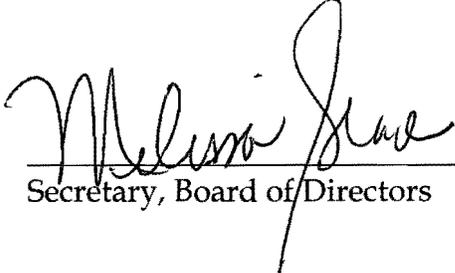
RENEWAL OF INSURANCE POLICIES

Ms. Brownlee stated the District's current insurance provider is preparing a proposal for the renewal of the District's insurance policies for presentation at next month's Board meeting.

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, Director Prade moved adjourn. The motion was seconded by Director Fain and passed unanimously.

  
Secretary, Board of Directors

(SEAL)



ACTION LIST

1. ABHR will submit the standard notice to the District’s website and the community newsletter.
2. Mr. DeForest will meet with Michelle Graham to intercede with other City departments to reconsider comments to the site plan for the temporary ball fields.
3. The Board will present the Maintenance and Scheduling Agreement to the Board of SCRMA at their next meeting.
4. SCRMA will contact Ed Thompson’s office to request (1) Comcast’s installation of a live feed to the security cameras be considered a public safety issue; and (2) Representative Thompson’s office contact Comcast to expedite the delivery of service.
5. Available directors will attend the February 6, 2015, Board meeting of BFB1 to discuss and answer questions regarding park projects underway involving both Districts.

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