

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

April 7, 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 7th day of April, 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 except Director Slade, thus constituting a quorum.

Also present at the meeting were Quentin Wiltz, candidate for City of Pearland (the "City") City Council; Maria Southall-Shaw and Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Officer Natisha Lucas of 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"); Bob DeForest of KGA/DeForest Design, LLC; and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the March 3, 2015, regular meeting and the February 20, 2015, special meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the March 3, 2015, regular meeting and the February 20, 2015, special meeting as presented. Director Fain seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

There was nothing to report on this topic.

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. 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.

Director Weary and Ms. Humphries entered 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 98.08% of the 2014 taxes had been collected as of March 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 to the tax assessor/collector's report.

Mr. Patterson reviewed a letter from Aichatou Athie of 2921 Emerald Brook Lane requesting that the penalty be waived on the delinquent tax bill. A copy of the letter is attached to the tax assessor/collector's report.

After consideration of information presented by the resident and Mr. Patterson and discussion relating to the legal restrictions on waiver of penalties and interest, Director Prade moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills and deny the request from Aichatou Athie to waive the penalty on the delinquent tax bill because the law does not allow the District to waive penalties unless the District or its agents made an error. Director Fain seconded the motion, which carried by unanimous vote.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. DeForest reported that the reworked site plan for construction of the temporary ball fields (the "Fields") was approved by the City and assigned a Permit number. Mr. DeForest distributed and reviewed a bid tabulation for construction of the Fields and recommended the Board accept the low base bid in the amount of \$169,935.50 submitted by Four Seasons Development Company, Inc. ("Four Seasons") with an alternate item of irrigation in the amount of an additional \$44,500. A copy of the bid tabulation is attached. The Board concurred that award of a contract to Four Seasons will be most advantageous to the District and will result in the best and most economical completion of construction of the Fields.

Mr. DeForest noted that irrigation meters would be placed in the District's name and the District will be responsible for paying the resultant water bill if irrigation is included. In response to a request from the Board, Mr. DeForest said he will obtain a proposal from Earthcare Management for the cost of mowing the Fields once constructed as an addendum to its contract with SCRMA.

After review and discussion, Director Prade moved to accept the low base bid in the amount of \$169,935.50 and award the contract to Four Seasons for construction of

the Fields, as recommended, without the alternative item of irrigation, contingent on award of same by Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB1"), and subject to ABHR approval of payment, performance, and maintenance bonds and insurance. Director Fain seconded the motion, which carried unanimously. It was noted the District pays only one-half of this contract pursuant to the cost-sharing agreement with BFB1.

ENGINEERING MATTERS

Ms. Brook reported that Assistant City Manager Trent Epperson will attend the April 10, 2015, meeting of BFB1 and is available to attend the District's May meeting. Ms. Brook distributed and reviewed a letter from BFB1 to City Manager Clay Pearson addressing the additional developer interest BFB1 will need to pay, estimated in the amount of \$414,594 by BFB1's engineer Jones-Heroy & Associates, Inc. ("Jones-Heroy"), due to the approximate one year delay in submitting BFB1's current bond application because the City's sewage treatment plant on McHard Road (the "Plant") is operating in excess of capacity as cited by the Texas Commission on Environmental Quality. Ms. Brook reported the District's engineer Jones-Heroy has estimated the additional developer interest owed by the District will be \$167,535. In response to questions from the Board, Mr. Ross generally discussed historical accountability at the City regarding engineering matters. Discussion ensued regarding (1) City Council's oversight of engineering and capacity of the sewage treatment plants by proxy; (2) extra expense incurred on a construction project when conducted under an emergency timeline; (3) the recent increase in City water rates; (4) City developer reaction to the situation; and (5) options for disseminating information to residents of Shadow Creek Ranch ("SCR") regarding the Plant and the additional cost to BFB1, the District, and all City residents.

Officer Lucas entered the meeting.

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. No action items were presented. Following review and discussion, Director Prade moved to (1) approve the engineer's report; (2) direct Ms. Brook to request Trent Epperson attend the District's May Board meeting; (3) authorize Director Parks to sign a letter addressed to Clay Pearson similar to the letter from BFB1; and (4) request Ms. Southall-Shaw distribute said letter in an eblast to residents of SCR. Director Fain seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

No report was given.

STORM WATER PERMIT TXRQ40000

There was nothing new to report on this item.

SECURITY SERVICES REPORT

Officer Lucas reviewed the monthly security report and answered questions from the Board regarding crime trends. Ms. Southall-Shaw distributed and reviewed a supplement to the security report requested by the Board of BFB1, which tracks crime activity according to type of crime and incident location. Officer Lucas and Ms. Southall-Shaw discussed City police reporting and the most efficient way to glean SCR data, noting the City does not have software that performs this task. The Board indicated burglary of homes and vehicles is its highest concern. In response to a question from the Board, Officer Lucas said she is coordinating with Ms. Southall-Shaw to begin officer training on the security camera surveillance software next week. Ms. Southall-Shaw discussed (1) funding of wiring through Comcast for wifi service; (2) funding of a computer the City Police Department dedicated to monitoring the video feed; and (3) the security camera maintenance line item in the SCRMA budget. Ms. Southall-Shaw noted approximately 80% of the District's security cameras are currently online and discussed installation of an additional camera in the SCR neighborhood known as the Island.

Officer Lucas stated the Pearland Police Department Honor Guard will participate in a ceremony occurring during National Police Week in Austin and Washington, D.C. to honor and memorialize police officers who lost their lives while performing their duties. She presented a flyer from the Pearland Police Honor Guard Commander requesting individual donations to assist with the costs associated with travel and accommodations incurred by the officers participating in the event. Officer Lucas left the meeting.

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, including an update on construction of the temporary ballfields. After discussion, the Board concurred to request ABHR post the standard notice to the newsletter and make revisions to the District's website as discussed. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

Director Prade referenced presentation material from Blue Umbrella Services previously distributed to the Board for website services. Ms. Humphries reviewed the website budget line item and District funds spent on the website. No action was taken.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No reports were given.

COMMENTS FROM THE PUBLIC

Quentin Wiltz introduced himself and announced his candidacy for position 2 on the City Council. Mr. Wiltz discussed his personal and political background, reasons for being a candidate, goals to achieve if elected to City Council, and his professional experience and training. Mr. Wiltz then responded to questions from the Board.

There being no further business to come before the Board, Director Prade moved to 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 the community newsletter and submit an update to the District’s website regarding construction of the temporary ballfields.
2. Ms. Southall-Shaw will coordinate with Officer Lucas to continue producing a supplement to the security report, which tracks crime trends.
3. Mr. DeForest will obtain a proposal from Earthcare Management to add a one year period of mowing of the temporary ballfields, which will be added as an addendum to the schedule already in place to mow acreage for SCRMA.
4. Ms. Brook will request that Assistant City Manager Trent Epperson attend the District’s May Board meeting.
5. Ms. Shaw will distribute a copy of the District’s letter to the City regarding extra developer interest to SCR residents via eblast.
6. Director Parks will attend the next City Council meeting and speak under public comments regarding extra developer interest owed by the District because of the City’s overcapacity sewage treatment plant.

LIST OF ATTACHMENTS TO MINUTES

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