

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

June 2, 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 2nd day of June, 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 Goray Mookerjee, resident and Director of the Board of Emerald Bay Homeowners Association ("Emerald Bay HOA"); Charlie Norton and Raquel Rodriguez of Shadow Creek Ranch Maintenance Association ("SCRMA"); Officer Corey Gray of the 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"); 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 May 5, 2015, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the May 5, 2015, regular meeting as presented. Director Fain seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT

Officer Gray reviewed the monthly security report and answered questions from the Board regarding crime trends. In response to a question from the Board, Mr. Norton said the locations of recently posted security camera surveillance signs were selected based on feedback from SCRMA and the City Police Department.

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.

The Board considered amending the budget for fiscal year ending September 30, 2015 to allocate funds in the operating account from the Capital Reserve line item to the Recreational Facilities Expenses line item to fund the District's share of cost to construct the temporary ball fields.

The Board considered authorizing advances to Directors attending the Association of Water Board Directors conference in Corpus Christi June 18-20, 2015, (the "Conference") to pay for related expenses approved at the previous meeting.

The Board requested Ms. Garcia prepare a check from the operating fund payable to the City in the amount of \$685,000 to give to the City upon approval of the Interlocal Agreement Related to Construction of Additional Public Park Improvements (the "Agreement"), which is on the June 8, 2015, City Council agenda.

After review and discussion, Director Fain moved to (1) approve the bookkeeper's report and payment of the bills, including check no. 3682 to the City for \$685,000.00, subject to City approval of the Agreement; (2) amend the budget as discussed; and (3) authorize advances to Directors to attend the Conference, including approve (a) a check in the amount of \$445.05 to Director Slade for hotel expense; (b) a check in the amount of \$531.30 to Director Prade for hotel expense; and (c) a check in the amount of \$180.00 to Director Prade for car rental. Director Prade 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 noted 98.89% of the 2014 taxes had been collected as of May 31, 2015. Mr. Patterson next reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), a copy of which is attached to the tax assessor/collector's report. Mr. Patterson said Perdue Brandon requested the Board approve receipt of the delinquent tax report on a quarterly rather than monthly basis, which would be each February, May, August, and November.

Ms. Brook stated that as of July 1, 2015, outstanding 2014 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing Perdue Brandon to proceed with the collection of delinquent taxes.

Following review and discussion, Director Prade moved to: (1) approve the tax assessor/collector's report, the delinquent tax report, and payment of the bills; (2) approve receipt of the delinquent tax report from Perdue Brandon on a quarterly basis; and (3) authorize Perdue Brandon to proceed with the collection of delinquent 2014 taxes as of July 1, 2015. Director Fain seconded the motion, which carried by unanimous vote.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Brook reported that City Council is expected to consider the Agreement on its agenda for the meeting on June 8, 2015. Director Parks said he will attend. Discussion ensued to reconsider the eight priority projects listed in the Agreement. Ms. Brook stated changing the Agreement will delay approval by City Council. Ms. Humphries noted the \$685,000 in surplus operating revenue pledged to the City by the District for construction of the public water, sewer, and drainage to serve the Shadow Creek Ranch Sports Complex was approved by the TCEQ for that use and cannot be used to pay for any other projects. After discussion, the Board concurred to move forward with the Agreement as is.

Mr. DeForest distributed and reviewed the landscape architect's report, a copy of which is attached. He provided an update on construction of the temporary ball fields as reflected in the landscape architect's report. Mr. DeForest reviewed and recommended Pay Estimate No. 1 to Four Seasons Development in the amount of \$13,950.00 to be cost-shared equally with Brazoria-Fort Bend Municipal Utility District No. 1 ("BFB1"). A copy of Pay Estimate No. 1 is attached to his report.

Mr. DeForest reviewed a revised sign option for the temporary ball fields as reflected in an attachment to the landscape architect's report. He noted the Shadow Creek Ranch logo is not on the sign because SCRMA did not approve its use. The Board discussed the location of the sign and the benefits of a two-sided sign. Mr. DeForest discussed a projected timeline and estimated the temporary ball fields to be seeded by the end of July and ready for use in September of 2015.

Following review and discussion, Director Prade moved to accept the landscape architect's report and (1) approve Pay Estimate No. 1 as presented for construction of the temporary ball fields, based on the recommendation of the landscape architect, to be cost-shared equally with BFB1, with the District's share being \$6,975.00; and (2) approve a two-sided sign located in the northwest corner of the project site as presented except for removal of the letter "C" from BFBC MUD 1. Director Fain seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. Mr. Ross reported on the progress of ongoing projects in the District.

Mr. Ross provided an update on the rehabilitation of the detention pond side slopes. He presented and recommended approval for Pay Estimate No. 6 to Fort Bend Excavation, Inc. ("FBE") in the amount of \$328,525.19 and Change Order No. 1 to FBE in the amount of \$58,500 for clean out of the drainage channel and regrading of the side slopes, which increases the contract price from \$4,187,019.90 to \$4,245,519.90 for rehabilitation of the detention pond side slopes.

Mr. Ross responded to questions from the Board regarding payment of Pay Estimate No. 2 and Final (the "Pay Estimate") to R Construction for construction of the public water line to serve Broadstone Shadow Creek. He said the City must accept the facilities before the Pay Estimate will be considered and approved by the developer and LJA and then presented to the Board for approval.

Following review and discussion, Director Prade moved to approve the engineer's report and, based on the recommendation of the engineer, approve (1) Pay Estimate No. 6 to FBE in the amount of \$328,525.19 for rehabilitation of the detention pond side slopes; and (2) Change Order No. 1 to FBE for \$58,500 for rehabilitation of the detention pond side slopes. Director Fain seconded the motion, which passed unanimously.

Ms. Humphries left the meeting.

ATTORNEY'S REPORT

No report was given.

STORM WATER PERMIT TXRQ40000

No updates were presented.

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. 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

Director Weary reported on the selection of the new principal at Alvin ISD High School.

COMMENTS FROM THE PUBLIC

Mr. Mookerjee stated it was his opinion that the District should not pay for projects that the City should construct and fund.

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



(SEAL)

Melissa Stad
Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the standard notice to the community newsletter and update the District's website.
2. Mr. DeForest will contact Earthcare Management to inquire about reducing the cost of the Service Agreement for mowing of the temporary ball fields upon receipt of any proposal(s) obtained by Directors from BFB1.
3. Ms. Brownlee will send the Board executed Agreement to City Attorney Darrin Coker for consideration at the June 8, 2015, City Council meeting.
4. Director Parks will attend the June 8, 2015, City Council meeting to request approval of the Agreement.
5. Mr. Patterson will report to Perdue Brandon that submittal of the delinquent tax report on a quarterly schedule was approved by the Board.

LIST OF ATTACHMENTS TO MINUTES

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