

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

July 24, 2015

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 26 (the "District") met in special session, open to the public, on the 24th day of July, 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 Directors Weary and Parks, thus constituting a quorum.

Also present at the meeting were Julie Williams of Rathmann & Associates, L.P.; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, Shilpa Shah, Kim Cannon, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

FINANCING MATTERS

Ms. Garcia distributed and reviewed a modified bookkeeper's report, including (1) break out of the fund disbursements and balances from the District's \$6,475,000 Unlimited Tax Bonds, Series 2014 ("Series 2014 Bonds"); (2) budget for fiscal year ending September 30, 2015; and (3) proposed budget for fiscal year ending September 30, 2016. A copy of the modified bookkeeper's report is attached.

Ms. Williams distributed and reviewed (1) a schedule of callable bonds for the District's Unlimited Tax Bonds, Series 2005 ("Series 2005 Bonds"); (2) a debt service schedule for the District's proposed Unlimited Tax Bonds, Series 2015 ("Proposed Series 2015 Bonds"), and a tax rate analysis in relation to the Proposed Series 2015 Bonds, copies of which are attached. Ms. Williams discussed callable bonds in the Series 2005 Bonds debt service schedule and benefits of the District paying down bond debt early. Mr. Ross discussed remaining future funding needed for construction of the water, sanitary sewer and drainage facilities and impact fees to serve the undeveloped land within the District. Discussion ensued regarding (1) revisions to the cost summary of bond application no. 8; (2) items and costs estimated to include in a future final bond application; (3) options for use of Series 2014 Bonds surplus funds; and (4) options for

early debt retirement, including short maturities on new bonds issued and cash defeasance of late maturities. Following review and discussion, the Board concurred to consider authorizing a cash defeasance of the 2026 maturity of the Series 2005 Bonds, with a call date of September 15, 2015, at the next Board meeting and to reduce the principal amount of bond application no. 8 by using approximately \$800,000 of surplus construction funds.

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



Secretary, Board of Directors

(SEAL)



ACTION LIST

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