

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

June 7, 2016

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 June, 2016, 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 Shannon Waugh of Off Cinco; Samuel Weary, a resident of the District; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); Officer Natisha Lucas of the City of Pearland Police Department; David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, Tracie Brownlee, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 3, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the May 3, 2016, regular meeting, as presented. Director Fain seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

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

DEVELOPMENT IN THE DISTRICT

There was no discussion on this matter.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2011 BONDS

Ms. Brook stated OmniCap Group LLC has completed the Interim Excess Earnings Report on the Series 2011 Bonds (the "Report"). She stated the Report reflects

that no yield reduction payment is due to the Internal Revenue Service. Following review and discussion, Director Prade moved to accept the Report and direct that the Report be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Director Weary and Samuel Weary entered the meeting.

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 said Director Slade requested the Board approve an advance for the cost of a car rental and hotel accommodations for four nights to attend the Association of Water Board Directors ("AWBD") summer conference, which includes one additional hotel night and an additional per diem to attend the AWBD Public Funds Investment Act training session. Director Prade requested the Board approve an advance for the cost of a car rental and hotel accommodations for three nights to attend the AWBD summer conference.

After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills, including an additional per diem to Director Slade and an advance to Director Slade as requested and an advance to Director Prade as requested. Director Fain seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. He noted 99.99% of the 2015 taxes had been collected as of May 31, 2016. Following review and discussion, Director Prade moved to approve the tax assessor/collector's report. Director Fain seconded the motion, which carried by unanimous vote.

Mr. Patterson reviewed a Certificate of 2016 Estimated Value of the District from Brazoria County Appraisal District in the amount \$1,000,537,985. A copy of the Certificate is attached to the tax assessor/collector's report.

AUTHORIZE THE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Brook stated that as of July 1, 2016, outstanding 2015 tax accounts will be assessed an additional 20% penalty. The Board considered authorizing the District's delinquent tax attorney to proceed with the collection of delinquent taxes. Following review and discussion, Director Prade moved to authorize the delinquent tax attorney

to proceed with the collection of delinquent 2015 taxes as of July 1, 2016. Director Fain seconded the motion, which carried by unanimous vote.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. Following review and discussion, the Board concurred to accept the engineer's report.

Mr. Ross responded to questions from the Board regarding the District's potential for flooding during heavy rain events.

Officer Lucas entered the meeting.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

The Board reviewed a report from Earthcare Management for the mowing and maintenance of the temporary ball fields, a copy of which is attached.

SECURITY SERVICES REPORT

Officer Lucas reviewed the written security report for SCR, a copy of which is attached. Ms. Brook reported that at the meeting of Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB1"), BFB1 developers expressed concerns for security coverage in the newly developing sections of SCR. Officer Lucas said she was attending the Southlake Homeowner's Association meeting later that day. Following review and discussion, the Board concurred to accept the security report.

Officer Lucas left the meeting, and Ms. Humphries entered the meeting.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft of the notice for submission to the Shadow Creek Community Newsletter and The Connection newsletter and considered updates for the District's website. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Following review and discussion, the Board directed ABHR to post the notice to the newsletter as submitted.

Ms. Waugh reviewed the updated District website with the Board, a link for which was provided to the Board for their review in advance of the meeting. Discussion ensued, after which the Board concurred to approve the general format of the updated website as presented. Since the Board of BFB1 approved the website at their Board meeting last week, Ms. Waugh stated she will proceed with the transition of the website to the new format.

Discussion ensued regarding photos to be posted on the website and a possible

contest for residents to submit photos taken within the District.

ATTORNEY'S REPORT

No reports were presented.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

In response to a question from the Board, Ms. Brownlee said a representative of Shadow Creek Ranch Maintenance Association ("SCRMA") confirmed that someone from SCRMA would attend the meeting today. She said she will request a SCRMA representative's attendance at next month's meeting.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Melissa Slade and Fred E. Weary, Jr. to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Prade moved to approve the Certificate of Election and the distribution of same to Directors Slade and Weary and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS, OFFICIAL BONDS AND OATHS OF OFFICE

Ms. Brook reviewed the Sworn Statement and Oath of Office for Directors Slade and Weary. After review and discussion, Director Prade moved that the Board approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Fain seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors and concurred to maintain the current Board organization.

DISTRICT REGISTRATION FORM

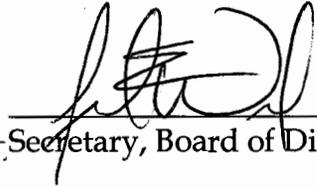
The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors. Following review and discussion, Director Prade

made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which passed by unanimous vote.

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



(SEAL)


Asst. Secretary, Board of Directors

ACTION LIST

1. ABHR will submit the approved notice to the community newsletters.
2. ABHR will submit updates to the District's website as needed.
3. Ms. Brownlee will submit the District's boundary map for posting on the District's website.
4. The Board will consider a photo contest for the District's website inviting District residents to submit a photo taken in the District to compete for posting on the District's website.
5. The Board will consider adding a yard of the month photo feature to the District's website.

LIST OF ATTACHMENTS TO MINUTES

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