

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

June 7, 2011

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, 2011, at the Village of Emerald Bay Clubhouse, 11814 North Clear Lake Loop, Pearland, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Michael Parks	President
Vacant	Vice President
Melissa Slade	Secretary
Caralynn Prade	Assistant Vice President
Herbert Fain	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Mark Simien of Association Management, Inc. ("AMI"), representing the Shadow Creek Ranch Maintenance Association; Cecil and Linda Culbreth, Fred Weary, and Stephen Collett, residents of the District; James Ross of LJA Engineering & Surveying, Inc.; Erin Garcia of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; and Lynne B. Humphries and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 3, 2011, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Prade moved to approve the minutes as submitted. Director Fain seconded the motion, which passed unanimously.

SUPPLEMENTAL SECURITY SERVICES

Director Parks said he will contact the City of Pearland (the "City") police department to request that an officer attend District meetings held in the evenings within the District.

DEVELOPMENT IN THE DISTRICT, APPROVAL OF ANY DEVELOPER REIMBURSEMENT REPORTS, AND DISBURSEMENT OF FUNDS

There was no discussion on this item.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board considered establishing limits for Director expenses at the upcoming Association of Water Board Directors ("AWBD") summer conference in Fort Worth, and reviewed the guidelines established for the previous summer conference. After review and discussion, Director Fain moved to establish maximum limits of four Director fees of office, three nights of lodging, and reasonable and necessary meal expenses for the AWBD summer conference. Director Prade seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report and list of checks presented for approval, a copy of which is attached. Ms. Humphries noted the website contract is between the District and Off Cinco and that the District should pay the Off Cinco invoices and Brazoria-Fort Bend County Municipal Utility District No. 1 then should be invoiced to reimburse the District for its 50% share. Ms. Humphries also noted that the Director checks listed in the bookkeeper's report reflect an incorrect meeting date of June 6th instead of today's date. After review and discussion, Director Slade moved to approve the bookkeeper's report with the noted corrections and approve payment of the bills. Director Prade seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS AND AUTHORIZATION FOR DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He noted that the 2010 taxes were 98.23% collected as of May 31, 2011. Ms. Humphries noted an account on the delinquent tax roll reflecting the City as the owner. Mr. Patterson said the City likely acquired the property during the prior year and the records have not been updated. He said he would look into the matter.

Mr. Patterson next presented and reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is included in the tax assessor/collector's report. Ms. Humphries said the additional 20% penalty is applied to delinquent tax accounts as of July 1, 2011, when the delinquent accounts are turned over to the delinquent tax attorney to pursue collection.

After review and discussion, Director Prade moved to approve the tax assessor/collector's report and the delinquent tax report and authorize the delinquent

tax attorney to proceed with collection of delinquent taxes. Director Fain seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

Director Prade presented a list of suggested information and links to be posted on the website. After review and discussion, the Board concurred for ABHR to work with Off Cinco to add the recommended information and links.

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Area Community Newsletter and the homeowners association newsletter, *The Current*. After discussion, the Board directed ABHR to prepare a notice directing residents to the new website for information about District meetings.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineering report, a copy of which is attached. He noted there were no action items for the Board's consideration. Mr. Ross reviewed the estimated costs associated with construction of a public water line to serve MF-2 for the Board to consider funding options, as requested at last month's meeting. After review and discussion, the Board concurred to consider funding the project from surplus funds once the project is completed.

COMMENTS FROM DIRECTORS AND THE PUBLIC

Mr. Collett introduced himself to the Board, discussed his background, and requested that the Board consider him for the vacant position.

Mr. Weary introduced himself to the Board and noted that he presented his resume at last month's meeting to be considered for the vacancy. He inquired about the requirements to serve on the Board and asked for additional explanation of the process for handling construction contracts such as the MF-2 water line and funding decisions associated with same. The Board discussed the director qualification requirements and the various matters handled by the Board at monthly meetings. The Board discussed the purposes for which each of the District's funds can be used. Director Slade suggested reading information on the website about the District and about water districts in general. In response to a question from Mr. Collett, the Board discussed the timeline and terms for annexation and dissolution of the District by the City, pursuant to the District's Utility Agreement with the City.

CONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

At 7:30 p.m., Director Parks announced that the Board would meet in executive session to deliberate the appointment of a public officer.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

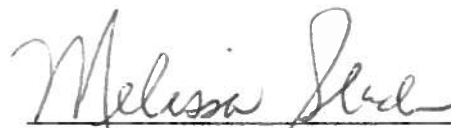
At 7:39 p.m., Director Parks announced that the Board would re-convene in open session. Upon re-convening in open session, the Board concurred to schedule a special meeting for June 21, 2011, at 7:00 p.m. to interview candidates for the vacant position. The Board directed ABHR to update the website to reflect that the deadline for submittal of resumes to be considered for the vacant position has been extended until June 15, 2011.

SCHEDULE FOR NEXT MEETING

The Board concurred to schedule next month's regular meeting for July 5, 2011, at 7:00 p.m. at the Village of Emerald Bay Clubhouse.

There being no further business to come before the Board, Director Prade moved to adjourn the meeting. Director Slade seconded the motion, which passed unanimously.




Secretary, Board of Directors

ACTION LIST

1. Director Parks will contact the City to request that an officer attend District meetings held in the evenings within the District.
2. The tax assessor/collector will follow up on the delinquent tax account reflecting the City as owner.
3. The attorney will work with Off Cinco to add the recommended information and links to the website.
4. The attorney will prepare a notice for the newsletters and website regarding the Board vacancy and extended deadline for submittal of resumes.

LIST OF ATTACHMENTS TO MINUTES

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