

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

October 2, 2012

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 October, 2012, 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.

There were no other resident members of the public present. The following District consultants were also present: Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Erin Garcia of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering & Surveying, Inc.; and Lynne B. Humphries, Teshia Judkins, and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 4, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Weary moved to approve the minutes of the September 4, 2012, meeting, as submitted. Director Fain seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT, VIDEO AND SECURITY SERVICE SURVEILLANCE,
AND INSTALLATION OF CAMERAS AND SECURITY SYSTEM

Officer Lucas reported on security in the District and discussed crime trends and preventative security measures for residents.

Discussion ensued regarding over-time pay to officers patrolling the District and Brazoria-Fort Bend County Municipal Utility District No. 1 (collectively, the "Districts") on holidays. The Board agreed at the previous meeting that over-time pay should be paid for the same holidays as the City. Ms. Garcia stated she will determine the days of the year that the City recognizes as holidays.



The Board discussed the installation of video surveillance equipment in the Shadow Creek Ranch area and the possible survey of Shadow Creek Ranch residents. Ms. Humphries stated that the Shadow Creek Ranch Maintenance Association ("SCRMA") may be interested in funding the installation of video surveillance equipment in the Shadow Creek Ranch area, contingent upon a favorable resident survey and the Districts funding the necessary erosion repairs of the detention ponds and Texas Commission on Environmental Quality ("TCEQ") approval of the erosion repairs. Director Weary stated that SCRMA is considering the distribution of a survey to Shadow Creek Ranch residents in the newsletter, *the Connection*, and that a survey conducted by the District is no longer necessary. Ms. Humphries then discussed a recent news report regarding the theft of copper wiring from facilities in the Harris County area. She stated that the installation of video surveillance equipment at the facilities referenced in the news report contributed to the apprehension of the thieves.

DEVELOPMENT IN THE DISTRICT

Ms. Humphries stated that an Agreement for Financing of Facilities relating to the development of a multifamily site in the District will be presented for the Board's consideration at the next meeting.

FINANCIAL AND BOOKKEEPING MATTERS AND AMEND BUDGET

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. She stated that it was not necessary to amend the budget for fiscal year end September 30, 2013. After review and discussion, Director Weary moved to approve the bookkeeper's report and payment of the bills. Director Fain 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 that the 2011 taxes were 99.66% collected as of September 30, 2012.

Mr. Patterson 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.

After review and discussion, Director Weary moved to approve the tax assessor/collector's report and the delinquent tax report. Director Fain seconded the motion, which passed unanimously.



CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Patterson stated that ASW published a Notice of Public Hearing regarding the adoption of the District's 2012 tax rate. Director Parks then opened the public hearing. No members of the public came forward to make comments. Director Parks closed the public hearing.

Ms. Humphries presented an Order Levying Taxes reflecting a total 2012 tax rate of \$0.69 per \$100 assessed valuation, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance. She then presented an Amendment to Information Form reflecting the newly adopted tax rate. Ms. Humphries stated that the Amendment will be filed with Brazoria County and the TCEQ. After review and discussion, Director Fain moved to (1) adopt the Order Levying Taxes; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Weary 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 updated the Board on the construction of the public water line to serve MF-2. He presented and recommended approval of Pay Estimate No. 3 in the amount of \$127,378.93, payable to AR Turnkee Construction Company, Inc. ("AR Turnkee").

Mr. Ross informed the Board that the Districts received verbal approval from a senior TCEQ staff reviewer to fund the necessary erosion repairs of the detention ponds in order to restore the side slopes to their original state and reduce erosion in the future. He stated that the product from Shore Links has been installed in one of the detention ponds on a trial basis, and the results are favorable. Mr. Ross discussed the cost-effectiveness of utilizing the product compared to other methods. Upon a request by the Board, Mr. Ross stated that he will send the Board pictures of the results of the trial use of the Shore Links product and follow up with Shore Links' clients to inquire about their satisfaction with Shore Links' product. He then requested authorization to prepare plans and specifications for the necessary erosion repairs of the detention ponds and submit the plans to the City for approval.

Following review and discussion, and based upon the engineer's recommendation, Director Weary moved to (1) approve the engineer's report; (2) approve payment of Pay Estimate No. 3 in the amount of \$127,378.93, payable to AR Turnkee for the construction of the public water line to serve MF-2; and (3) authorize



the engineer to prepare plans and specifications for the necessary erosion repairs of the detention ponds and submit the plans to the City for approval. Director Fain seconded the motion, which carried unanimously.

DATE, TIME, AND LOCATION FOR NEXT MEETING

Due to elections being held on the District's regular meeting date, the Board concurred next month's regular meeting will be November 13, 2012, at 11:00 a.m. at ABHR.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Area Community Newsletter; the newsletter, *The Connection*; and the District's website. After discussion, Director Fain moved to direct ABHR to prepare a notice with the standard monthly message directing residents to the website for information about District meetings, including information on the District's adopted 2012 tax rate, the date of the regular November meeting, information on the erosion repairs of the detention ponds, and safety tips reminding residents (1) to install alarm systems in homes and display the alarm company's sign in the front yard; (2) to not store valuables inside vehicles; and (3) that all solicitors must be licensed by the City. Director Fain seconded the motion, which carried by unanimous vote,

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Fain discussed the upcoming Association of Water Board Directors ("AWBD") Fall Seminar on October 30, 2012, at the Omni Hotel Houston at Westside. Following discussion, Director Fain moved to authorize all interested Directors to attend the AWBD Fall Seminar. Director Weary seconded the motion, which carried unanimously.

The Board discussed the possibility of requesting the City to designate a temporary parking area and ball fields on the undeveloped regional park land in Shadow Creek Ranch until the City is ready to develop the regional park. In response to Director Weary's earlier request, Ms. Humphries reported that the Chester L. Davis Sportsplex in League City was funded by League City through a sales tax that was voted on and approved by the residents of League City. The Board discussed that District residents should speak during the public comments agenda item at City Council meetings to request the temporary parking area and ball fields on the undeveloped regional park land.

COMMENTS FROM THE PUBLIC

There were no comments from the public.



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

Melissa Stad
Secretary, Board of Directors

(SEAL)



ACTION LIST

- 1. The attorney will prepare the requested notice for the newsletters and website.
- 2. The bookkeeper will determine the days of the year that the City recognizes as holidays.
- 3. The engineer will send the Board pictures of the results of the trial use of the Shore Links growth product and follow up with Shore Links' clients to inquire about their satisfaction with Shore Links' growth product.

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