

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

July 2, 2013

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 July, 2013, 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, thus constituting a quorum.

Also present at the meeting were the following District consultants: Officers David Pratt and Wesley Boyer of the City of Pearland (the "City") Police Department; Erin Garcia of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; James Ross and Taylor Baumgartner of LJA Engineering, Inc.; and Hannah Brook and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 4, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Parks moved to approve the minutes of the June 4, 2013, meeting, as presented. Director Slade seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT, INCLUDING REPORT FROM SHADOW CREEK RANCH MAINTENANCE ASSOCIATION ("SCRMA") ON INSTALLATION OF CAMERAS

Officers Pratt and Boyer reported on security in the District and discussed crime trends and preventative security measures for residents. Officer Pratt noted that criminal mischief tends to increase during the summer months.

Upon an inquiry by Director Slade, Officer Pratt stated that the City does not have procedures in place for keeping a live record of contractors working in the Shadow Creek Ranch area at any given time. He noted that communities within the City may choose to implement such procedures.

There was no update on the installation of cameras in the Shadow Creek Ranch area.

DEVELOPMENT IN THE DISTRICT

The Board did not receive a report on development in the District.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. Ms. Garcia noted the Directors' expenses submitted were in accordance with the District's travel reimbursement guidelines. After review and discussion, Director Slade moved to: (1) approve reimbursement of eligible expenses for the summer conference, which were submitted in accordance with the District's travel and reimbursement guidelines; and (2) authorize all interested directors to attend the AWBD winter conference. Director Weary seconded the motion, which carried by unanimous vote.

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. She then discussed certificates of deposit, current market interest rates, and further diversifying of investments and reviewed a recommended diversification plan for the District's debt service and general operating funds.

Ms. Garcia discussed plans for additional bond defeasance in the near future. She noted the District's financial advisor is reviewing the Board's options.

After review and discussion, Director Slade moved to: (1) approve the bookkeeper's report and payment of the bills; and (2) authorize the bookkeeper to diversify the District's debt service and general operating funds as recommended. 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 2012 taxes were 99.31% collected as of the end of the previous month. Upon a request by Director Slade, Mr. Patterson stated he will include a page to each monthly report to reflect the District's tax account balance from the previous year.

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 Slade moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the tax bills. Director Fain seconded the motion, which passed unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Director Weary reported on his attendance at the workshop that SCRMA organized with Michelle Smith, the City Parks Director, on Tuesday, June 18, 2013, to discuss plans for the Shadow Creek Ranch Sports Complex (the "Complex"). He stated that the City will proceed with construction of Phase I of its original plans for the Complex as designed in 2005, which include baseball fields, a soccer field, a volleyball court, and parking, but that the City may not be able to proceed with Phases II and III due to lack of funds. Director Weary noted that football fields are not included in the City's plans and that the City will not permit football organizations to utilize the other sports fields. He stated area youth football organizations currently practice at Glen York Elementary School, but the field is virtually unusable due to the lack of maintenance. Discussion ensued regarding the possibility of entering into an interlocal or cost sharing agreement with Alvin Independent School District ("AISD") for the District to fund improvements and/or maintenance of AISD's sports fields in consideration of AISD allowing the public to utilize the fields. Following discussion, Director Weary stated he will contact a representative of AISD regarding this matter and will report back to the Board at the next meeting.

Discussion ensued regarding a possible park bond election in the future, including the necessary steps to make sure residents are completely informed.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He stated there were no items for the Board's approval.

Mr. Ross updated the Board on the construction of the public water line to serve MF-2 and noted that the project is near completion. He stated that, upon completion, Kingsley Partners, L.P. will need to be reimbursed the final twenty-five percent of the \$979,571 identified in the Developer Reimbursement Report prepared by McGrath & Co., PLLC, dated January 10, 2012, for water and wastewater impact fees paid to the City from proceeds of the District's Series 2011 Bonds.

Mr. Ross updated the Board on the preparation of bond application no. 7. He noted that Brazoria-Fort Bend County Municipal Utility District No. 1 is currently obtaining bids for its share of the detention pond erosion protection improvements.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Brook distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 83rd Regular Session of the Texas Legislature. A copy of the report is attached.

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 review and discussion, the Board directed ABHR to prepare a notice with the standard monthly message directing residents to the website for information about District meetings, including: (1) a statement reminding residents not to leave belongings in vehicles; and (2) a link to the City crime statistics.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Parks reported that he was elected to the AWBD Board of Trustees.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

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

(SEAL)



Melissa Stued
Secretary, Board of Directors

ACTION LIST

1. ABHR will prepare the requested notice for the newsletters and website.

LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
bookkeeper's report.....	2
tax assessor/collector's report	2
engineer's report	3
report regarding legislative matters.....	4