

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

August 6, 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 6<sup>th</sup> day of August, 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 Constance Fain, a resident of the District; Patrick Miller and Joshua Scott of Alvin Independent School District ("AISD"); Rod Simpson and Maria Shaw of the Shadow Creek Ranch Maintenance Association ("SCRMA"); and the following District consultants: 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.; Julie Williams of Rathmann & Associates, L.P.; James Ross of LJA Engineering, Inc.; and Lynne B. Humphries and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 2, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Slade moved to approve the minutes of the July 2, 2013, meeting, as presented. Director Fain seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT, INCLUDING REPORT FROM SCRMA ON  
INSTALLATION OF CAMERAS

Officer Lucas reported on security in the District and discussed crime trends and preventative security measures for residents. Discussion ensued regarding recreational trailers parked outside residents' homes. Officer Lucas stated the City Police Department cannot take any action regarding the matter unless a trailer is blocking a street or driveway. Ms. Shaw noted that trailers parked outside residents' homes are

not in violation of Shadow Creek Ranch's deed restrictions, but that SCRMA will contact residents if complaints are received.

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.

#### FINANCIAL AND BOOKKEEPING MATTERS AND 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 the budget for the District's fiscal year end September 30, 2014, will be prepared based on the 2013 tax rate discussions at today's meeting and will be considered for adoption next month. After review and discussion, Director Slade 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 the 2012 taxes were 99.36% collected as of the end of the previous month. Mr. Patterson reported on discussions with the deputy appraiser of the Brazoria County Appraisal District regarding the affect of property value protests on the District's 2013 certified value.

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.

#### DISCUSS 2013 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams discussed the 2013 tax rate and recommended the District levy a 2013 tax rate of \$0.66 per \$100 of assessed value, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance, the same tax rate as the previous year. She stated the 2013 taxable value in the District decreased about \$3,000,000, and,

according to the Brazoria County Appraisal District, the average home value decreased from \$206,303 for 2012 to \$201,742 for 2013. Ms. Williams noted that, if the Board maintains the same tax rate of \$0.69, the average tax rate reduction is \$31.00. After review and discussion, Director Slade moved to authorize the tax assessor/collector to publish notice of the District's public hearing on September 3, 2013, to set the proposed 2013 tax rate of \$0.69 per \$100 assessed valuation, with \$0.66 allocated for debt service and \$0.03 allocated for operations and maintenance. Director Fain seconded the motion, which passed unanimously.

#### RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Director Weary discussed the City's design and construction of the Shadow Creek Ranch Sports Complex, with construction of Phase I scheduled to begin in the fall of 2013. He reported that residents expressed their displeasure at the June 18, 2013, workshop with the City Parks Director that Phase I does not include multipurpose ball fields. Director Weary noted that Phase II was designed to include multi-purpose fields, but that, due to lack of funding, the City may not proceed with construction of Phase II anytime soon.

The Board discussed the procedures and steps necessary for the District to possibly issue park bonds in the future, including methods to effectively present plans to the community. Ms. Humphries recommended that a meeting be scheduled with Councilman Scott Sherman, Assistant City Manager Bill Eisen, and the City Attorney to discuss the District's options to promote additional parks in and near the District. Discussion then ensued regarding the organization of a citizens committee composed of residents interested in the construction of park facilities in the Shadow Creek Ranch Area.

The Board discussed the possibility of entering into an interlocal agreement with AISD for the District to fund improvements and/or maintenance of York Elementary School's sports field in consideration of AISD allowing the public to utilize the field. Mr. Miller stated the AISD Board will consider entering into an interlocal agreement with the District upon receipt of a written request from the District. Discussion ensued regarding the provisions of the proposed interlocal agreement, including necessary field improvements, costs, and the possible participation of Brazoria-Fort Bend County Municipal Utility District No. 1. Following discussion, the Board directed the District's engineer to prepare a cost estimate for field improvements at York Elementary School.

#### 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 has awarded the contract for its share of the detention pond erosion protection improvements.

Following review and discussion, Director Slade moved to accept the engineer's report. Director Fain seconded the motion, which carried unanimously.

#### REPORT REGARDING LEGISLATIVE MATTERS

There was no discussion on this item.

#### 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: (1) prepare a notice with the standard monthly message directing residents to the website for information about District meetings, including a statement reminding residents not to leave belongings in vehicles and a link to the City crime statistics; (2) post the notice of the District's public hearing on September 3, 2013, to set the proposed 2013 tax rate on the District's website; and (3) obtain a report from the District's web service provider regarding the number of visits to the District's website.

#### REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Parks reported he attended his first meeting as a member of the Association of Water Board Directors Board of Trustees. He stated he will keep the Board informed of any matters that may potentially affect the District.

#### COMMENTS FROM THE PUBLIC

Ms. Shaw stated she will provide contact information for SCRMA's mowing service provider to Director Weary.

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

*Melissa Stead*  
Secretary, Board of Directors



ACTION LIST

1. ABHR will prepare the requested notice for the newsletters and website.
2. ABHR will obtain a report from the District's web service provider regarding the number of visits to the District's website.
3. The District's engineer will prepare a cost estimate for field improvements at York Elementary School
4. SCRMA will provide contact information for its mowing service provider to Director Weary.

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