

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

August 2, 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 2nd day of August, 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 Raquel Rodriguez and Syeda Unnisa of Shadow Creek Ranch Maintenance Association ("SCRMA"); Julie Williams of Rathmann & Associates, L.P. ("Rathmann"); Christina Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland Police Department; David Patterson of Assessments of the Southwest, Inc.; Taylor Baumgartner of LJA Engineering, Inc.; and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the July 7, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the July 7, 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.

CASH REDEMPTION OF TWO MATURITIES OF THE DISTRICT'S UNLIMITED TAX BONDS, SERIES 2009 ("SERIES 2009 BONDS")

Ms. Williams distributed and reviewed the debt service schedule for the Series 2009 Bonds and proposed cash redemption of the two term bonds with maturities of 2032 and 2029 using surplus debt service funds. She stated the redemption will shorten the Series 2009 Bonds term by ten years. Following review and discussion, Director Prade moved to authorize cash redemption of the two term bonds with maturities of 2032 and 2029 using surplus debt service funds. Director Weary seconded the motion, which passed by unanimous vote.

DISCUSS 2016 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Williams distributed and reviewed a tax rate analysis and recommended the District levy a 2016 tax rate of \$0.69 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 that, according to the Brazoria County Appraisal District, the 2016 taxable value in the District is \$893,321,629 and the average home value increased from \$224,119 in 2015 to \$239,317 in 2016. After review and discussion, Director Prade moved to authorize the tax assessor/collector to publish notice of the District's public hearing on September 6, 2016, to set the proposed 2016 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.

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. After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills. Director Weary seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2017

Ms. Garcia reviewed the budget for fiscal year ending September 30, 2017 and requested the directors and consultants review the draft budget and send any comments to her prior to next month's meeting.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson reviewed the tax assessor/collector's report, including the unpaid accounts tax roll and a report from the District's collections attorney, a copy of which is attached. He noted 99.35% of the 2016 taxes have been collected as of July 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.

Officer Lucas entered the meeting.

ENGINEERING MATTERS

Mr. Baumgartner 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.

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 Shadow Creek Ranch, a copy of which is attached. Following review and discussion, the Board concurred to accept the security report.

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, and update the website as needed.

Ms. Brownlee reported there were no summer photo submissions for the Board to review.

ATTORNEY'S REPORT

No reports were presented.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

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. Mr. Baumgartner will report any additional plans for commercial development in the District to ABHR and Rathmann.
4. Ms. Rodriguez will request a receipt for Director Prade's paid 2016 annual HOA dues.

LIST OF ATTACHMENTS TO MINUTES

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REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Rodriguez responded to questions from the Board regarding payment processing of homeowner association dues and monitoring of SCRMA's Facebook page. Director Parks stated that Directors and consultants should refer any media contact to him or the District's legal counsel.

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

Melina Glad
Secretary, Board of Directors

(SEAL)

