

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

July 10, 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 10th day of July, 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; James Ross of LJA Engineering & Surveying, Inc.; Erin Garcia of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; and Adisa Harrington and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 5, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Weary moved to approve the minutes of the June 5, 2012, meeting, as submitted. Director Fain seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

Ms. Harrington said there was nothing new for consideration on this item.

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 Weary moved to approve the bookkeeper's report. 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 99.09% collected as of June 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH THE COLLECTION OF DELINQUENT TAXES

Ms. Harrington stated that the District's delinquent tax attorney can begin collection of real property taxes that were delinquent as of July 1, 2012. After discussion, Director Prade moved that the Board authorize the delinquent tax attorney to proceed with the collection of delinquent 2011 taxes. 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. He presented and recommended approval of the following in connection with the construction of the public water line to serve MF-2: (1) Pay Estimate No. 2 in the amount of \$188,176.41, payable to AR Turnkee Construction Company, Inc. ("AR Turnkee"); (2) Change Order No. 1 in the amount of \$1,715.00 for the increase of the tapping sleeve and valve; and (3) Change Order No. 2 in the amount of \$3,504.00 for the relocation of installed materials due to staking change. Following review and discussion, and based upon the engineer's recommendation, Director Prade moved to approve the engineer's report and the following in connection with the construction of the public water line to serve MF-2: (1) payment of Pay Estimate No. 2 in the amount of \$188,176.41, payable to AR Turnkee; (2) Change Order No. 1 in the amount of \$1,715.00 for the increase of the tapping sleeve and valve; and (3) Change Order No. 2 in the amount of \$3,504.00 for the relocation of installed materials due to staking change. Director Weary seconded the motion, which carried unanimously.

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 homeowners



association ("HOA") newsletter, *The Connection*; and the District's website. After discussion, the Board concurred to direct ABHR to prepare a notice with the standard monthly message directing residents to the website for information about District meetings 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) a reminder that all solicitors must be licensed by the City.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Harrington reviewed a notification from the Texas Municipal League ("TML") regarding the nomination process for nominees to TML's Board of Trustees. Following review and discussion, the Board concurred to take no action.

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

Director Fain reported that he met with a representative of BL Technology, Inc. to discuss surveillance equipment installation at the recreational centers and gated communities, in addition to the major entry points, in the Shadow Creek Ranch area. He stated that a proposal for the additional surveillance equipment will be presented at the next meeting. Discussion ensued regarding the cost of the surveillance equipment to the District. Following discussion, Director Parks stated that will contact the President of the HOA to determine if the HOA is contracting with the District to provide and monitor this surveillance equipment.

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

COMMENTS FROM THE PUBLIC

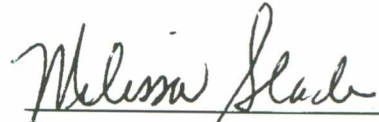
There were no comments from the public.

DATE, TIME, AND LOCATION FOR NEXT MEETING

The Board concurred to schedule next month's regular meeting for August 7, 2012, at 11:00 a.m. at ABHR. The Board discussed the joint special meeting with Brazoria-Fort County Municipal Utility District No. 1 on Wednesday, July 25, 2012, at 11:30 a.m. at ABHR.



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



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. Director Parks will contact the President of the HOA to determine if the HOA is interested in contributing to the cost of the surveillance equipment installation.
2. The attorney will prepare the requested notice for the newsletters and website.

LIST OF ATTACHMENTS TO MINUTES

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