

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

August 7, 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 7th day of August, 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, 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 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 July 10, 2012, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Prade moved to approve the minutes of the July 10, 2012, meeting, as submitted. Director Weary seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

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

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the Association of Water Board Directors ("AWBD") summer conference. Ms. Garcia noted the expenses submitted were in accordance with the District's travel guidelines. She added that Director Slade has not submitted her expenses for reimbursement. After review and discussion, Director Prade 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; (2) authorize Ms. Garcia, upon review, to reimburse Director Slade for eligible expenses for the summer conference, in accordance with the District's Travel Reimbursement Guidelines; and (3) authorize all interested directors to attend the AWBD winter conference. Director Slade seconded the motion, which carried by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2013

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 presented the draft budget for fiscal year end September 30, 2013, a copy of which is attached to the bookkeeper's report. After review and discussion, Director Prade moved to approve the bookkeeper's report. Director Slade 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 99.47% collected as of July 31, 2012. Mr. Patterson reported that the District's 2012 certified value is \$680,653,503.

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

ENGINEERING MATTERS

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

Mr. Ross updated the Board on the preparation of a technical report on the drainage and erosion issues of the District's detention lakes. He stated that the report will be complete in a few weeks and, upon Board approval, a bond issue can be submitted to the Texas Commission on Environmental Quality.



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 Shadow Creek Ranch Maintenance Association ("SCRMA/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 to not store valuables inside vehicles.

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.

Ms. Harrington stated that the proposal from BL Technology, Inc. for additional surveillance equipment at the recreational centers and gated communities in the Shadow Creek Ranch area, in addition to the major entry points, will be presented to SCRMA/HOA.

Ms. Harrington presented a First Amendment to the Security Patrol Services Agreements with each patrol officer for security patrol within the District and Brazoria-Fort Bend County Municipal Utility District No. ("MUD 1") and a First Amendment to Security Patrol and Coordination Services Agreement with Officer Pratt (collectively, the "Agreements"). She stated that the Agreements need to be amended to include that the contractor will be responsible for uniforms and all other expenses of the officers and to specify that federal taxes will be withheld as required by the Internal Revenue Service. Following review and discussion, Director Slade moved to approve the First Amendment to the Security Patrol Services Agreements with each patrol officer and the First Amendment to Security Patrol and Coordination Services Agreement with Officer Pratt and direct that the Agreements be filed appropriately and retained in the District's official records. Director Weary seconded the motion, which carried unanimously.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

The Board continued to discuss the AWBD summer conference, including presentations attended by the Directors.

Discussion ensued regarding the Board of the District and the Board of MUD 1's attendance at the upcoming SCRMA/HOA meeting to discuss the installation of surveillance equipment in the Shadow Creek Ranch area. The Board concurred that a security officer should attend the meeting to detail the need for surveillance equipment



in the Shadow Creek Ranch area. The Board directed ABHR to notify the Board and Officer Lucas once the date and time of the next SCRMA/HOA meeting is known.

Director Fain discussed the possibility of obtaining opinions from residents on the installation of surveillance equipment in the District. The Board discussed methods for obtaining opinions from residents and the potential cost to the District.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

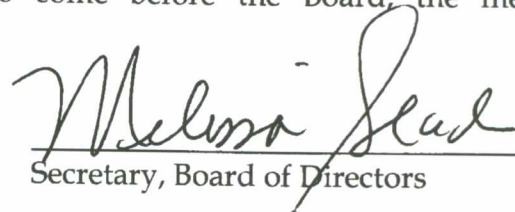
DATE, TIME, AND LOCATION FOR NEXT MEETING

The Board concurred to schedule next month's regular meeting for September 4, 2012, at 11:00 a.m. at ABHR.

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

(SEAL)




Secretary, Board of Directors



ACTION LIST

1. The attorney will prepare the requested notice for the newsletters and website.
2. ABHR will notify the Board and Officer Lucas once the date and time of the next HOA meeting is known.

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