

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

April 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 April, 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 Pierre Prade, a member of the public; 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. ("ASW"); James Ross 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 March 5, 2013, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Weary moved to approve the minutes of the March 5, 2013, meeting, as presented. Director Slade seconded the motion, which passed unanimously.

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

Officer Lucas reported on security in the District and discussed crime trends and preventative security measures for residents. The Board directed ABHR to include a statement in the monthly newsletter notice reminding residents not to leave belongings in vehicles.

Ms. Shaw stated that she had no update on the resident survey on installation of cameras in the Shadow Creek Ranch area.

DEVELOPMENT IN THE DISTRICT

Ms. Brook 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 and payment of the bills. Director Prade 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 98.28% collected as of March 31, 2013.

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.

Mr. Patterson reviewed a letter from Phil Lorenzi, a resident of the District, requesting a waiver of penalty and interest due to lack of receipt of his tax bill. Mr. Patterson reported that ASW has confirmed the tax bill was mailed to the correct address.

Mr. Patterson reviewed a letter from Randeep Nambiar, a resident of the District, requesting a waiver of penalty and interest due to the resident being out of the country when the tax bill was mailed.

After review and discussion, Director Weary moved: (1) to approve the tax assessor/collector's report, the delinquent tax report, and payment of the tax bills; and (2) that pursuant to the Texas Tax Code, there was no evidence of error on the part of the District or an agent of the District, therefore penalty and interest could not be waived on Mr. Lorenzi's or Mr. Nambiar's tax accounts. Director Prade seconded the motion, which passed unanimously.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Director Weary reported on an update from the City on the Shadow Creek Ranch Sports Complex. He stated that Phase I of the construction of the Sports Complex is expected to begin as early as October, 2013. Director Weary next presented an updated report regarding the need for parks and recreation facilities in or near Shadow Creek

Ranch, a copy of which is attached. The Board discussed methods to gauge community support, including a possible poll of Shadow Creek Ranch residents, and noted that residents should speak during the public comments agenda item at City Council meetings to request parks and recreation facilities in or near Shadow Creek Ranch.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached.

Discussion ensued regarding reimbursement to Kingsley Partners, L.P. ("Kingsley") for water and wastewater impact fees paid to the City from surplus funds from the Series 2011 Bonds. Ms. Brook noted that Kingsley has been reimbursed \$244,892.50, twenty-five percent of the \$979,571 identified in the Developer Reimbursement Report prepared by McGrath & Co., PLLC, and that the Board determined reimbursement will be approved in twenty-five percent increments, in accordance with the percentage of the project that is complete, and as taxable value is added to the tax rolls. Following discussion, the Board directed Mr. Ross to contact Kingsley and determine the percentage of the project that is complete so that Kingsley may be further reimbursed.

Ms. Brook presented a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds in connection with the District's bond application no. 7.

Ms. Brook stated that that all of the District's current Drainage Easements need to updated to clarify the District's maintenance responsibilities. She stated that each Drainage Easement will need to be abandoned and a new form of Drainage Easement be approved its place.

Following review and discussion, Director Weary moved to: (1) accept the engineer's report; (2) approve a Partial Abandonment of Drainage Easement for each of the District's Drainage Easements, approve a new Drainage Easement for each abandoned Drainage Easement, and direct that the Partial Abandonments and Easements be filed appropriately and retained in the District's official records; and (3) adopt the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds and direct that the Resolution be filed appropriately and maintained in the District's official records. Director Slade 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 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 the Shadow Creek Ranch Parks and Recreation Facilities notice and a statement reminding residents not to leave belongings in vehicles.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

There were no reports from Directors or District consultants.

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 Jacob
Secretary, Board of Directors

ACTION LIST

1. The attorney will prepare the requested notice for the newsletters and website.
2. The engineer will contact Kingsley to determine the percentage of the public water line to serve MF-2 that is complete.

LIST OF ATTACHMENTS TO MINUTES

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