

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

July 1, 2014

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 1<sup>st</sup> day of July, 2014, 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 Weary, thus constituting a quorum.

Also present at the meeting were Officer Wes Boyer of the City of Pearland (the "City") Police Department; Colette Garcia and Tayo Ilori of McGrath & Co., P.L.L.C. ("McGrath"); Christina Garcia of Myrtle Cruz, Inc. ("MCI"); Cathy Drew of Assessments of the Southwest, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Brooks Hamilton and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

Director Parks left the meeting.

The Board considered approving the minutes of the June 10, 2014, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Prade moved to approve the minutes of the June 10, 2014, meeting with correction of minor typographical errors. Director Slade seconded the motion, which passed unanimously.

SECURITY SERVICES REPORT, INCLUDING REPORT FROM SHADOW CREEK RANCH MAINTENANCE ASSOCIATION ("SCRMA") ON INSTALLATION OF CAMERAS

Officer Boyer of the City Police Department reviewed a written security report submitted in advance of today's meeting. A copy of the security report is attached. He then responded to questions from the Board regarding crime trends.

## DEVELOPMENT IN THE DISTRICT

Ms. Colette Garcia presented and reviewed a Developer Reimbursement Report prepared by McGrath for the purpose of verifying the amount to be reimbursed to Morrow Investors, Inc. ("Morrow") in connection with costs relating to the District's \$6,475,000 Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"), a copy of which is attached. Ms. Garcia noted a supplemental report is forthcoming reflecting invoices under \$10,000 that have not yet been submitted. After review and discussion, Director Prade moved to (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse Morrow in the amount of \$343,783, pursuant to the Developer Reimbursement Report, contingent on receipt of an executed Receipt; and (3) direct that the Developer Reimbursement Report and Receipt be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which was approved by unanimous vote.

## DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference. Ms. Christina Garcia noted the Directors' expenses submitted were in accordance with the District's travel reimbursement guidelines. 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; and (2) authorize all interested directors to attend the AWBD winter conference. Director Slade seconded the motion, which carried by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Christina 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.

Discussion ensued regarding cost sharing between the District and Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB MUD 1") for design and construction of temporary ball fields. Ms. Hamilton stated she will follow up to determine how billing and payment should be administered. Mr. Ross stated he will bring LJA's proposal for engineering services related to clearing and grubbing of the land for temporary ball fields to next month's meeting.

The Board reviewed expenses related to the Series 2014 Bonds and considered execution of checks and wire transfers for the July 10, 2014 closing of the Series 2014 Bonds. The Board concurred to execute checks for which the District had received

invoices and to authorize Director Parks to execute wire transfers upon receipt of the remaining invoices. After review and discussion, Director Prade moved to approve the bookkeeper's report and payment of the bills. Director Slade seconded the motion, which passed unanimously.

Director Parks returned to the meeting.

#### REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2004 BONDS

Ms. Hamilton presented and reviewed the arbitrage rebate report regarding the District's Series 2004 bonds prepared by OmniCap Group, LLC. Ms. Hamilton stated the report indicates that no arbitrage rebate payment is required by the District.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Drew reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. She noted that 99.21% of the 2013 taxes had been collected as of June 30, 2014. Ms. Drew next reviewed a delinquent tax report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached. After review and discussion, Director Prade moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the tax bills. 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.

Discussion ensued regarding the bid received for rehabilitation of the detention pond side slopes. Director Parks updated the Board on the installation of security cameras by SCRMA and noted he advised SCRMA to solicit a bid from Today's Integration, Inc. The Board concurred to request that SCRMA take action on the installation of the security cameras prior to the District's August 5, 2014 meeting in order for the Board to award the contract to Fort Bend Excavation, Inc. before expiration of the bid. Director Parks stated he would notify Maria Shaw of SCRMA of this deadline.

The Board concurred to accept the engineer's report. Officer Boyer left the meeting.

STORM WATER PERMIT TXRQ40000

There were no updates on this item.

APPROVE RESOLUTION EXPRESSING SUPPORT FOR TEXAS DEPARTMENT OF TRANSPORTATION ("TXDOT") TO RE-ESTABLISH IN PROJECT SCOPE THE DIRECT CONNECT LANES FROM BELTWAY 8 TO FORTHCOMING NEW ROUTE 288 MANAGED LANES

Ms. Hamilton presented and reviewed a Resolution Expressing Support for Texas Department of Transportation to Re-Establish in Project Scope the Direct Connect Lanes from Beltway 8 to Forthcoming New Route 288 Managed Lanes. Following review and discussion, Director Prade moved to adopt the Resolution Expressing Support for Texas Department of Transportation to Re-Establish in Project Scope the Direct Connect Lanes from Beltway 8 to Forthcoming New Route 288 Managed Lanes. The motion was seconded by Director Parks and passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Community Newsletter, *The Connection*, and on the District's page of the website. After discussion, the Board concurred for ABHR to submit the District's standard notice along with an additional notice calling for resident support for inclusion of the direct connectors in TxDOT's Highway 288 expansion project.

The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

No reports were presented.

COMMENTS FROM THE PUBLIC

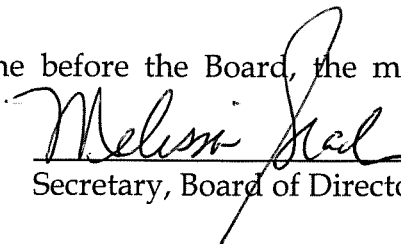
There were no members of the public who wished to address the Board.

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

(SEAL)



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Secretary, Board of Directors

ACTION LIST

1. Mr. Ross will submit a proposal from LJA for engineering services connected to the construction of temporary ball fields.
2. ABHR will submit the standard notice for the newsletters and website, including an additional notice calling for resident support of inclusion of the direct connectors in TxDOT's Highway 288 expansion project.
3. Ms. Hamilton will determine the coordination of payment between the District and BFB MUD 1 for construction of the temporary ball fields.
4. Director Parks will notify Maria Shaw of SCRMA's August 5, 2014 deadline to take action on installation of the security cameras before the bid for the rehabilitation of the detention pond side slopes expires.

LIST OF ATTACHMENTS TO MINUTES

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