

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

January 6, 2015

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 6<sup>th</sup> day of January, 2015, 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 Jadicer Richardson, guest of Director Parks; Constance Fain, resident; Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Bob DeForest of KGA/DeForest Design, L.L.C.; Officer Gabe Cortez of City of Pearland (the "City") Police Department; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); David Patterson of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 2, 2014, regular meeting, which were provided in advance. After review and discussion, Director Fain moved to approve the minutes of the December 2, 2014, regular meeting as presented. Director Prade seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

Ms. Brook reviewed a developer reimbursement report provided by McGrath & Co., PLLC for reimbursement of impact fees to be paid from the District's general operating account. Ms. Brook stated the developer reimbursement report recommends reimbursement in the amount of \$29,392 payable to Westin Homes and Properties, L.P. ("Westin"). Following review and discussion, Director Fain moved to (1) approve the developer reimbursement report and direct that it be filed appropriately and retained in the District's records; and (2) authorize disbursement of funds in the amount of \$29,392 payable to Westin for reimbursement of impact fees, subject to the District's obtaining

an executed Receipt from Westin. The motion was seconded by Director Prade and passed unanimously.

Officer Cortez entered the meeting.

#### ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER AND FINANCIAL AND BOOKKEEPING MATTERS

Pursuant to the District's Investment Policy, Ms. Garcia presented her annual disclosure statement as the District's bookkeeper and the annual disclosure statement of Mary Jarmon, the District's Investment Officer. Ms. Brook explained the Investment Officer and bookkeeper are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

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. Ms. Garcia noted check no. 3542 payable to Officer Natisha Lucas was voided due to an error in calculating the number of hours worked by Officer Lucas. In response to a request from the Board, Ms. Garcia said she will contact the Association of Water Board Directors ("AWBD") to request a refund for one registration fee for attendance at AWBD's winter conference.

After review and discussion, Director Fain moved to (1) approve the bookkeeper's report and payment of the bills; (2) accept Christina Garcia's disclosure statement as the District's bookkeeper; (3) accept Mary Jarmon's disclosure statement as the District's Investment Officer; and (4) direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Prade seconded the motion, which passed unanimously.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Brook reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

#### 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 52.92% of the 2014 taxes had been collected as of December 31, 2014. Mr. Patterson 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 Fain moved to approve the tax assessor/collector's report, the delinquent tax report, and payment of the tax bills. Director Prade seconded the motion, which passed unanimously.

## SECURITY SERVICES REPORT

Officer Cortez reviewed a written security report submitted in advance of today's meeting. A copy of the security report is attached. Officer Cortez discussed City Police Department policy regarding rank of officers and designation of the coordinating officer for the District.

Mr. Norton updated the Board on installation of the security cameras in Shadow Creek Ranch. He stated Maria Shaw of SCRMA is overseeing the training of officers in reviewing surveillance tapes provided by Today's Integration.

## RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Ms. Humphries entered the meeting.

Ms. Brook updated the Board on the irrigation of the 4-acre tract (the "Tract") to be developed into temporary ball fields. Ms. Brook stated that at the last meeting of Brazoria-Fort Bend Municipal Utility District No. 1 ("BFB1"), the Board of BFB1 raised concerns about the cost of water to irrigate the Tract. Ms. Brook reported that the Board of BFB1 concurred to direct ABHR to ask the City if the City would pay for the cost of the water to irrigate the Tract, given the District and BFB1 are committed to paying for the cost of installing an irrigation system in addition to all other costs incurred to construct temporary ball fields on the Tract.

Ms. Brook reported the District's and BFB1's request for the City to pay for water to irrigate the Tract is under review by the City along with the review of the site plan for the temporary ball fields. Discussion ensued regarding alternative funding options for water to irrigate the Tract. Based on a request from the Board, Mr. DeForest stated he would calculate an estimate of the annual cost of the water needed to irrigate the temporary ball fields and bid the construction of the temporary ball fields with an alternative bid item for installation of the irrigation system. Director Parks stated he would attend the City Council meeting on January 12, 2015 and address City Council under public comments to request the City pay for the cost of water to irrigate the temporary ball fields from the time of installation to the end of the lease of the 4-acre tract in consideration for the District and BFB1 funding the total cost of installing the temporary ball fields.

The Board considered approving a Service Agreement with Earthcare Management ("Earthcare") for mowing of the Tract until the temporary ball fields are installed. Following discussion, Director Fain moved to approve the Service Agreement with Earthcare to mow the Tract as needed and no more than once per month for the period of January 2015 until construction begins on the temporary ball fields for a cost not to exceed \$500 per visit to be cost-shared equally with BFB1 for a total cost to the District not to exceed \$250 per visit. The motion was seconded by Director Prade and carried by unanimous vote.

## ENGINEERING MATTERS

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

Mr. Ross updated the Board on the rehabilitation of the detention pond side slopes. Mr. Ross stated approximately half of the lakes are complete and that he expects completion of the project by the end of the month. Mr. Ross reviewed and recommended Pay Estimate No. 4 in the amount of \$579,741.66 payable to Fort Bend Excavation, Inc. for the rehabilitation of the detention pond side slopes serving the District.

Mr. Ross updated the Board on bond application no. 8, including a general review of the proposed cost summary.

Following review and discussion, Director Fain moved to approve the engineer's report and, based upon the engineer's recommendation, approve Pay Estimate No. 4 as presented for the rehabilitation of the detention pond side slopes serving the District. Director Prade seconded the motion, which passed unanimously.

## STORM WATER PERMIT TXRQ40000

There were no updates to report for this item.

## 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 revisions to the District's website. After discussion, the Board concurred to request ABHR post the standard notice to the newsletter and the District's website. The Board requested ABHR also post a notice provided by Brazoria County of public hearings for vote centers for elections conducted by Brazoria County to the District's website. The Board then reviewed an analytics report on activity on the website for the prior month, a copy of which is attached.

The Board reviewed a draft of the District's updated District Information Kit. Following review and discussion, Director Fain moved to approve the District Information Kit as presented. Director Prade seconded the motion, which passed by unanimous vote.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Weary reported Shadow Creek Ranch High School is scheduled to open in the fall of 2016 and announced his intention to apply for the position of head football coach.

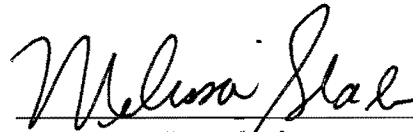
RENEWAL OF INSURANCE POLICIES

Ms. Brownlee stated the District's insurance policies with Highpoint Insurance Group, LLC ("Highpoint") will expire on March 19, 2015. After discussion, the Board directed ABHR to request a renewal proposal from Highpoint for consideration at next month's meeting.

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.



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. ABHR will submit the standard notice to the District's website and the community newsletter.
2. ABHR will submit the Notice provided by Brazoria County regarding public hearings for vote centers to the District's website.
3. Mr. DeForest will provide to the District an estimate of the annual cost for water needed to irrigate the temporary ball fields.
4. Mr. DeForest will bid the construction of the temporary ball fields to include the installation of an irrigation system as an alternative bid item.
5. Director Parks will attend the City Council meeting January 12, 2015 and speak under public comments to request the City pay for the cost of water to irrigate the temporary ball fields.
6. Ms. Brownlee will contact the District's insurance provider to request a proposal for the renewal of the District's insurance policies.

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