

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

February 20, 2015

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 26 (the "District") met in special session, open to the public, on the 20th day of February, 2015, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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 Marty Rosetta, resident of the District; Mike Rozell, Jalene Palmer, Geoffrey Pope, Terry Ruiz, and Karri Axtell, Directors of Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB1"); Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Bob DeForest of KGA/DeForest Design, LLC; James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

BFB1 Director Ruiz reported on email and telephone communication with members of City of Pearland (the "City") City Council indicating the City will not be responsible for maintenance or scheduling of the temporary ball fields (the "Fields"), once constructed. She noted the members of City Council inquired as to why the District and BFB1, (collectively the "Districts") are not utilizing extra funds to lower the District's tax rate or pay off bond debt and indicated their frustration over the Districts' involvement in the City's park development.

Ms. Humphries reported BFB1 is preparing to issue a refunding bond that is estimated to reduce its debt service by \$9,000,000 and offer its first homestead exemption, which is projected to be 15 to 20%. Discussion ensued regarding the Districts' schedule to pay off bond debt early and its history of granting tax exemptions, including a 20% homestead exemption (of not less than \$5,000) since 2007 or a \$10,000 exemption for individuals who are disabled or are sixty-five years of age or older since 2010 and \$40,000 since 2012. Various directors noted the District's financial advisor has

determined spending the discussed funds on park development has no significant impact to reduce the District's debt payment schedule or tax rates.

The Boards discussed the lack of park development in Shadow Creek Ranch despite the developer setting aside and donating land to the City for this purpose. Ms. Humphries reported Gary Cook indicated SCRMA will not enter into an agreement for the maintenance and scheduling of the Fields. Discussion ensued. Ms. Humphries stated the site plan for construction of the Fields includes three months of maintenance upon completion of the project, which allows time for the Districts to arrange maintenance and a cost-sharing agreement. The Boards considered posting a sign at the temporary ball fields to indicate usage is on a first come, first served basis, in lieu of scheduling usage of the Fields.

Mr. DeForest reviewed the bid tabulation for construction of the Fields presented at the February 6, 2015, special meeting, a copy of which is attached. Mr. DeForest also reviewed the City's original summary of comments on the site plan for the Fields presented at the February 6, 2015, special meeting with additional comments by the City following intercession by Michelle Graham, City Parks Director, who emphasized the temporary nature of the project. A copy of the summary of comments is attached. Mr. DeForest said the bid amount is not likely to decrease significantly due to the large amount of dirt that is needed to establish proper drainage. Mr. Ross reported he is unable to provide an engineer's seal to the site plan for the Fields until he is certain the addition of dirt will not require mitigation due to the 4-acre tract being located in a flood plain. Mr. Ross said he will notify the City of his intent to contact Cobb, Fendley & Associates, Inc., the City's landscape architect, to determine if the City has included the 4-acre tract in its mitigation plan for park development.

Ms. Humphries reported on the Districts' bond applications, which, in part, will provide funding for construction of the public water, sewer, and drainage to serve the Shadow Creek Ranch Sports Complex (the "Sports Complex"). Ms. Humphries stated the Texas Commission on Environmental Quality ("TCEQ") has determined the City has not expanded the sewer treatment plant that serves Shadow Creek Ranch and is currently over capacity. Ms. Humphries noted the bond applications cannot be filed until the TCEQ determines the City has the proper capacity.

Following review and discussion, the Districts' Boards concurred to move forward with the construction of the Fields as planned but without irrigation.

BFB1 Director Rozell left the meeting.

The Boards responded to Mr. Rosetta's questions regarding turf and irrigation for the Fields.

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

  
Asst. Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bid tabulation for construction of the temporary ball fields .....	2
Summary of comments on the site plan for temporary ball fields .....	2