

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

April 5, 2016

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 5th day of April, 2016, 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 Shannon Waugh of Off Cinco; Victor Walker, resident of the District; Tayo Illori of McGrath & Co. PLLC; Christina Garcia of Myrtle Cruz, Inc. ("MCI"); Thomas "Tommy" Lee of Assessments of the Southwest, Inc. ("ASW"); James Ross of LJA Engineering, Inc. ("LJA"); Officer Corey Gray of the City of Pearland (the "City") Police Department; and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

Director Fain left the meeting briefly.

The Board considered approving the minutes of the March 1, 2016, regular meeting, which were provided in advance. After review and discussion, Director Prade moved to approve the minutes of the March 1, 2016, regular meeting, as presented. Director Weary seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

Mr. Walker introduced himself and said he attended to learn about the District.

APPROVE PROPOSAL FROM OFF CINCO TO UPDATE DISTRICT WEBSITE

Director Fain returned to the meeting.

Ms. Waugh distributed and reviewed a proposal from Off Cinco to update the website shared by the District and Brazoria-Fort Bend County Municipal Utility District

No. 1 ("BFB1," collectively the "Districts"), the cost of which would be shared equally between the Districts. She then responded to questions from the Board. Following review and discussion, the Board concurred to table the item until next month. A copy of the proposal from Off Cinco is attached. Ms. Waugh left the meeting.

DEVELOPMENT IN THE DISTRICT

Mr. Illori presented and reviewed a Developer Reimbursement Report (the "Report") prepared by McGrath & Co., PLLC for the purpose of verifying the amount to be reimbursed to developers from the District's \$4,125,000 Unlimited Tax Bonds, Series 2016 ("Series 2016 Bonds"). Ms. Brook reported that ABHR has executed Receipts from the developers listed in the Report. Mr. Illori responded to questions from Mr. Walker. After review and discussion, Director Prade moved to approve the Report and authorize disbursement of funds pursuant to the Report and contingent on the closing of the Series 2016 Bonds; and direct that the Report and Receipts be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which was approved by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Director Slade entered the meeting.

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 Prade moved to approve the bookkeeper's report and payment of the bills. Director Fain seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Lee reviewed the tax assessor/collector's report, including the unpaid accounts tax roll, a copy of which is attached. He noted 98.09% of the 2015 taxes had been collected as of March 31, 2016.

Mr. Lee reviewed a letter from the resident at 2317 Diamond Springs requesting that the penalty and interest charges be waived on the resident's delinquent tax bill. A copy of the letter with enclosures is attached to the tax assessor/collector's report.

Mr. Lee reviewed a letter from the resident with the account no. 68/75021501027 requesting that the penalty and interest charges be waived on the resident's delinquent tax bill. A copy of the letter with enclosures is attached to the tax assessor/collector's report.

Following review and discussion, Director Prade moved to approve the tax assessor/collector's report and payment of the tax bills and deny the two requests for wavier of penalty and interest charges. Director Fain seconded the motion, which carried by unanimous vote.

In response to a question from the Board, Mr. Lee provided the number of current claimed exemptions for residents aged over 65 and disabled residents.

ARBITRAGE MATTERS

Ms. Brook stated OmniCap Group LLC has completed the Interim Excess Earnings Report on the Series 2006 Bonds (the "Report"). She stated the Report reflects that no yield reduction payment is due to the Internal Revenue Service. Following review and discussion, Director Prade moved to accept the Report and direct that the Report be filed appropriately and retained in the District's official records. Director Fain seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. Ross said he talked to Pearland Assistant City Manager Trent Epperson, who confirmed the schedules reported last month for completion of Phase 2 of the City's expansion of the sewage treatment plant serving Shadow Creek Ranch ("SCR") and the SCR Sports Park.

Following review and discussion, the Board concurred to accept the engineer's report. Ms. Humphries entered the meeting.

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

The Board reviewed a report from Earthcare Management ("Earthcare") for the mowing and maintenance of the temporary ball fields ("Fields"), which includes an invoice from last month listing the dates of service. A copy of the report from Earthcare is attached. The Board discussed photographs of the Fields that were provided by the District's landscape architect for the purpose of assessing the condition of the Fields in advance of today's meeting. Ms. Garcia noted she did not receive Earthcare's March invoice. Ms. Brownlee said she will contact Earthcare to confirm they are sending the invoices to Ms. Garcia for timely payment by the District.

SECURITY SERVICES REPORT

Officer Gray reviewed the written security report for SCR and answered questions from the Board and Mr. Walker. A copy of the security report is attached. The Board discussed the need for more security cameras to new District entrances.

Director Parks said he would follow up with Shadow Creek Ranch Maintenance Association regarding additional cameras.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board reviewed a draft of the notice for submission to the Shadow Creek Community Newsletter and The Connection newsletter and considered updates for the District's website. The Board reviewed an analytics report on activity on the website for the prior month, a copy of which is attached. Following review and discussion, the Board directed ABHR to post the notice to the newsletter as submitted.

ATTORNEY'S REPORT

The Board reviewed a draft of the District's updated Information Kit. Ms. Brook noted the amounts for the District's outstanding bonds need to be updated once the Series 2016 Bonds close. Following review and discussion, the Board concurred to table the matter until next month.

STORM WATER PERMIT TXRQ40000

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Director Parks said he would like to hear suggestions for improving outreach to younger Association of Water Board Directors members and educational initiatives for assistance with his ongoing efforts and contributions to the Association.

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


Secretary, Board of Directors



ACTION LIST

1. ABHR will submit the approved notice to the community newsletters.
2. Director Parks will speak to SCRMA about adding security cameras at the new District entrances.
3. ABHR will submit updates to the District’s website as needed.
4. ABHR will update the District Information Kit upon receipt of updates from the District’s financial advisor and present the draft for review and approval at next month’s Board meeting.
5. Ms. Brownlee will confirm that Earthcare has the contact information for the District’s bookkeeper and is sending current invoices to the bookkeeper for timely payment.

LIST OF ATTACHMENTS TO MINUTES

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