

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
Minutes of Meeting of Board of Directors
November 8, 2016

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 6 (the "District") met in regular session, open to the public, at 1300 Post Oak Boulevard, Suite 1400, Houston, Texas 77056, on November 8, 2016, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

L'Sheryl D. Hudson, President
Richard A. Skotak, Vice President
R. Michael Haney, Secretary
Erich R. Bell, Assistant Secretary
Rick King, Assistant Secretary

and all of said persons were present, with the exception of Director Hudson, who entered after the meeting was called to order, as noted herein, thus constituting a quorum.

Also present were Lisa Bonham of Jones & Carter, Inc. ("J&C"); Chris Wilson and Kyle Melgrin of Si Environmental, LLC ("Si"); Natalie Galgano of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Esther Kumaga of Assessments of the Southwest ("ASW"); Jeremy Roach of Apollo IT Consulting ("Apollo"), who entered after the meeting had been called to order, as noted herein; Jim Gustafson, of Land Three, L.L.C. ("Land Three"); and Peter Harding, Will Stafford and Kara Burns of Schwartz, Page & Harding, L.L.P. ("SPH").

The Vice President called the meeting to order and declared it open for such business as might regularly come before it.

MINUTES

The Board considered the minutes of its meeting held on October 11, 2016. After discussion regarding the minutes previously forwarded for review, it was moved by Director King, seconded by Director Bell, and unanimously carried, that said minutes be approved, as written.

PUBLIC COMMENTS

The Board deferred discussion of public comments as there were no members of the public present at this time

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Kumaga distributed to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended October 31, 2016, and an Unpaid Accounts Tax Roll as of November 17, 2016, copies of which are attached hereto as **Exhibit A**. After discussion, on

motion made by Director Haney and seconded by Director Bell, the Board voted unanimously to approve the report and authorize the payments listed therein.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Stafford advised that delinquent tax collections reports from Perdue, Brandon, Fielder, Collins & Mott L.L.P., the District's delinquent tax collection attorneys, regarding legal action taken on delinquent tax accounts are submitted quarterly and that no report was received this month.

OPERATIONS REPORT

Mr. Wilson presented to and reviewed with the Board an Operations Report for the month of October 2016, a copy of which is attached hereto as **Exhibit B**.

Mr. Wilson reported that two (2) pumps were replaced at the Silver Creek Lift Station.

A discussion ensued regarding the District's participation in the Association of Water Board Directors ("AWBD") Texas Water Smart Program (the "Water Smart Program"). In connection therewith, Mr. Wilson presented for the Board's review the AWBD's 2016 Water Smart Application. After discussion on the matter, Director King moved to approve the Water Smart Application. Director Bell seconded said motion, which was unanimously carried.

ENGINEERING REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated November 8, 2016, a copy of which is attached hereto as **Exhibit C**.

In connection with the District's Storm Water Management Plan/MS4 Permit, Ms. Bonham reported that Jones & Carter forwarded Si a Stormwater Runoff flyer to be included in District customer's next water bills, as previously authorized by the Board. She then advised that Jones & Carter has prepared a Spill Prevention and Emergency Response Plan for the District in accordance with the best management practices for the Storm Water Management Plan. Ms. Bonham advised that Jones & Carter will work with Si to prepare a spill response kit to keep at the District's facilities.

In connection with the 2017 Lift Stations No. 2, 3 & 5 Rehabilitation and Improvements Project ("LS Project"), Ms. Bonham reported that a finalized report and cost estimate were presented to the Board of Directors of Brazoria County Municipal Utility District No. 3 ("No. 3") at their last meeting and advised that No. 3 has authorized Jones & Carter to proceed with design and engineering work associated with the LS Project. She then presented to and reviewed with the Board said report and cost estimate, a copy of which is attached hereto as **Exhibit D**. Ms. Bonham advised that the cost of the LS Project has increased in price since the original Capital Improvement Plan was presented to the Board, as a result of the condition of the wet wells. She reported that the District's share of the LS Project will be approximately \$798,116.

In connection with the 2017 Water Plant Improvements Project ("WP Project"), Ms. Bonham reported that a finalized report was presented to No. 3 at their last meeting and advised that No. 3 has authorized Jones & Carter to proceed with design and engineering work associated with the WP Project. She then presented to and reviewed with the Board said report and cost estimate, a copy of which is attached hereto as **Exhibit E**. Ms. Bonham advised that the District's share of the cost of the WP Project will be approximately \$184,585.

After discussion, the Board requested that (i) Ms. Bonham forward a breakdown of the District's share of costs associated with both the LS Project and the WP Project to the Board prior to the next meeting, and (ii) that funds currently available in the District's Construction Fund be utilized to fund pay estimates received in connection with said projects until such time as the balance of the Construction Fund has been depleted. Mr. Stafford noted that SPH will prepare a resolution authorizing the use of surplus construction funds for such projects.

In connection with amendment of the Restated Joint Water Facilities Contract ("Contract") by and between the District, Brazoria County Municipal Utility District No. 2 ("No. 2"), No. 3, and the City of Pearland ("City"), Ms. Bonham reported that Jones & Carter met with the attorney for No. 2 last month to discuss said amendment and the proposed revised pro-rata shares in the Contract for each party. She advised that correspondence outlining the proposed amendment has been sent to the attorney for No. 2 in accordance with the Contract. Ms. Bonham advised that said correspondence will indicate that the City and the District are currently using more capacity than allotted to them for the elevated storage tank and provide the proposed pro-rata shares for each District. After discussion, the Board requested that Ms. Bonham confer with SPH before the December meeting to discuss the proposed amendment to the Contract.

Director Hudson entered the meeting at this time.

With regard to the construction of the crosswalk leading to Sasser Park by Traffic Systems Construction ("TSC"), Ms. Bonham reported that a Texas Ethics Commission Form 1295 has been received from the manufacturer and advised that TSC and the manufacturer are onsite today to complete the installation of the lights.

ADOPT RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS RELATIVE TO WATER PLANT IMPROVEMENTS PROJECT

The Board deferred the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds until its next meeting, as discussed above.

CLARENCE E. SASSER PARK ("PARK") REPORT

Director Hudson noted that there are dead trees in the Park that need to be addressed. Director Skotak advised that he would investigate the matter and report back to the Board.

DISTRICT WEBSITE

Mr. Roach updated the Board regarding statistics of the District's website. After discussion, the Board requested that reports regarding the District's website be presented to the Board on a quarterly basis going forward.

UTILITY COMMITMENTS

The Board deferred consideration of the issuance of utility commitments after being advised by Ms. Bonham that no requests had been received since the Board's last meeting.

DEVELOPERS' REPORTS

Mr. Gustafson advised that he had nothing to report to the Board at this time.

BOOKKEEPER'S REPORT & QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated November 8, 2016, attached hereto as **Exhibit F**, including the bills, which were presented for payment, as prepared by MA&C. A lengthy discussion ensued regarding the District's Five-Year cash flow, upcoming capital projects of the District, and funds owed to District developers. After discussion, Director Haney moved that (i) the Bookkeeper's Report be approved and payment be authorized of the disbursements listed therein, and (ii) a special Board of Director's meeting be scheduled to discuss future capital improvements of the District and options for the financing of same. Director Bell seconded the motion, which carried unanimously.

Ms. Galgano presented the Quarterly Investment Inventory Report for the period ended September 30, 2016, which is attached to the Bookkeeper's Report. After discussion, Director Haney moved that the Quarterly Investment Inventory Report for the period ended September 30, 2016, be approved. Director Bell seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

Mr. Stafford advised that correspondence had been received from Waste Management, the District's solid waste and recycling provider, advising of a \$0.28 increase in fees, based on the increase in the Consumer Price Index over the last year, beginning in January of 2017. After discussion, the Board requested that an item be placed on the December agenda to amend the District's Rate Order to pass said increase through to District customers.

RATIFY PRIOR APPROVAL OF ORDER ESTABLISHING MEETING PLACE INSIDE THE DISTRICT

The Board considered ratification of its prior action establishing 3010 Ravensport Drive Pearland, Texas 77584, as an additional meeting place within the boundaries of the District. Following discussion, Director Haney moved to ratify the adoption of an Order Establishing

Meeting Place Inside the District, which establishes 3010 Ravensport Drive Pearland, Texas 77584 as an additional meeting place of the Board within the boundaries of the District. The motion was seconded by Director Bell and carried by unanimous vote.

AUTHORIZE EMINENT DOMAIN REPORT FILING

Mr. Stafford advised the Board that Senate Bill 1812 amended Chapter 2206 of the Texas Government Code and created an eminent domain database to be maintained and hosted by the Texas Comptroller of Public Accounts ("Comptroller"). Mr. Stafford further advised the Board that each public and private entity in the State of Texas authorized to exercise the power of eminent domain must file a report, as prescribed by the Comptroller, before February 1 of each year. Following discussion on the matter, Director Skotak moved that SPH be authorized to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2017. Director Bell seconded the motion, which passed unanimously.

DISCUSSION REGARDING HOLDING FUTURE MEETINGS WITHIN THE DISTRICT

The Board discussed scheduling future special meetings within the District. After discussion, the Board determined that the next special meeting in the District be scheduled for January 2017.

MATTERS FOR NEXT AGENDA

Director Hudson requested that an item be placed on the December agenda to discuss the District's social media policy.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Bell, seconded by Director King, and unanimously carried, the meeting was adjourned.



R. Michael Haney, Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Tax Assessor/Collector Agreement
- Exhibit B - Affidavit of Publication – 2016 Tax Rate Hearing
- Exhibit C - Order Levying Taxes
- Exhibit D - Operations Report
- Exhibit E - Engineer's Report
- Exhibit F - Resolution Authorizing Use of Surplus Construction Funds
- Exhibit G - Bookkeeper's Report
- Exhibit H - Resolution Regarding Review of Order Establishing Policy for Investment of District Funds

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