

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
Minutes of Meeting of Board of Directors
December 13, 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 December 13, 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 and Cheryl Rogers 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"); Loren Morales of RBC Capital Markets, LLC. ("RBC"); Brian Krueger of BKD, LLP ("BKD"); Tiana Smith and Shanna Lopez of Waste Management, Inc. ("WM"); and Will Stafford, Kara Burns and Jenny Johnson 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 November 8, 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.

Director Hudson entered the meeting at this time.

PUBLIC COMMENTS

Ms. Lopez introduced Tiana Smith to the Board and advised that Ms. Smith will be the District's account representative at WM going forward.

Ms. Lopez advised the Board that WM will be implementing a new fleet of automated pickup trucks along the District's recycling route in 2017. Ms. Lopez advised that the residents will be notified of the change in requirements with regard to recycling pickup. Mr. Wilson

advised that a flyer outlining the new program can be included in District customers' next water bills.

ENGAGEMENT OF AUDITOR FOR FISCAL YEAR 2016

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending December 31, 2016. Mr. Krueger made a presentation to the Board and advised that BKD, LLP's fees for conducting said audit would be \$16,500, plus an additional \$600 for postage, printing, delivery and other miscellaneous costs. A copy of BKD, LLP's engagement letter is attached hereto as **Exhibit A**.

After discussion on the matter, Director Skotak moved that BKD be engaged to audit the District's financial statements and prepare the audit report for the fiscal year ending December 31, 2016, in accordance with the terms of the engagement letter, and that the President be authorized to execute same on behalf of the Board and the District. Director Haney seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Kumaga distributed to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended November 30, 2016, and an Unpaid Accounts Tax Roll as of December 12, 2016, copies of which are attached hereto as **Exhibit B**. After discussion, on motion made by Director Haney and seconded by Director King, the Board voted unanimously to approve the report and authorize the payments listed therein.

Ms. Kumaga advised that ASW is recommending a new program through First Mobile Trust, L.L.C. ("First Mobile") offering District taxpayers the ability to make payments utilizing credit/debit card or automated clearing house ("ACH") options. Ms. Kumaga next briefly summarized the terms of the program and the Payment Services Agreement to be entered into between First Mobile and the District as part of the program. She noted that First Mobile has submitted the required Texas Ethics Commission ("TEC") Form 1295 relative to the Payment Services Agreement. Following Discussion, upon motion by Director Haney, seconded by Director Bell and unanimously carried, the Board approved the Payment Services Agreement between First Mobile and the District, accepted the applicable TEC Form 1295 and authorized the acknowledgement of same with the TEC.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Stafford presented a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott L.L.P., the District's delinquent tax collection attorneys, regarding legal action taken on delinquent tax accounts, and advised that no action was necessary in connection therewith. A copy of said report is attached hereto as **Exhibit C**.

OPERATIONS REPORT

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

The Board deferred consideration of appeals of District charges after being advised by Mr. Wilson that none were received this month.

AMENDMENT OF RATE ORDER

The Board next considered an amendment to the Rate Order. Mr. Stafford reported that Waste Management ("WM") will increase the District's monthly garbage and recycling fees by \$0.28 per household in connection with its annual consumer price index increase, effective January 1, 2017. After discussion, Director Haney moved that the District's Rate Order be amended such that the sanitary sewer service rate be increased from \$28.40 to \$28.68 in order to pass the increase in garbage and recycling fees through to District customers, and that any and all Rate Orders heretofore adopted be revoked effective January 1, 2017. Director Bell seconded said motion, which unanimously carried. A copy of the Rate Order, as amended, is attached hereto as **Exhibit E**.

ENGINEERING REPORT

Ms. Bonham introduced Ms. Rogers to the Board. She then presented to and reviewed with the Board the Engineering Report dated December 13, 2016, a copy of which is attached hereto as **Exhibit F**.

With regard to the lighting for the crosswalk leading to Sasser Park, Ms. Bonham reported that construction of the lights has been completed. Ms. Bonham reported that Jones & Carter received notice that the lights had not been working and advised that J&C inspected the crosswalk and discovered that the combination lock to the breaker box had been cut and the power to the lights had been turned off. Ms. Bonham reported that the power has been turned on and that a new combination lock has been installed on the breaker box. Ms. Bonham reported that the contractor has also verified that the lights are in working order.

In connection with the District's Storm Water Management Plan/MS4 Permit, Ms. Bonham reported that Jones & Carter has begun preparing the Annual Report for Permit Year 3 for the District's Storm Water Management Plan/MS4 Permit and that said report will be presented to TCEQ by the March 31, 2017 deadline.

In connection with the 2017 Lift Station Nos. 2, 3 & 5 Rehabilitation and Improvements Project ("LS Project"), Ms. Bonham reported that Jones & Carter is preparing the plans and specifications for the LS Project and anticipates completing said design in May 2017.

In connection with the 2017 Water Plant Improvements Project ("WP Project"), Ms. Bonham reported that Jones & Carter anticipates completing the plans and specifications for the WP Project this month. Ms. Bonham reported that Jones & Carter advertised the project and will

receive bids this month. She advised that the District's share of the WP Project will be approximately \$185,000.

Ms. Bonham reported that construction of a right turn-only lane at the intersection of County Road 59 & County Road 94 has begun.

In connection with the Capital Improvement Plan ("CIP"), Ms. Bonham reported that Brazoria County Municipal Utility District No. 3 ("No. 3") has reviewed the CIP and advised that the final CIP will be presented to the Board for review at the January meeting after all revisions have been made.

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 presented to and reviewed with the Board a letter to No. 2 dated December 1, 2016 outlining the capacity needs and proposed pro rata shares for the Elevated Storage Tank, a copy of which is attached to the Engineering Report. A lengthy discussion then ensued regarding 2017 CPI projects and negotiation with City of Pearland regarding future financings.

Mr. Stafford then advised that he has spoken with Darrin Coker, the Pearland City Attorney, regarding the possibility of selling bonds to finance the District's current and future capital projects with a maturity schedule extending beyond 2024, a restriction currently imposed upon the District by the City. Mr. Stafford advised that he, Peter Harding of SPH, Mr. Morales, and Ms. Bonham will meet with the Pearland City Attorney and City Manager on January 9, 2017.

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

The Board then discussed the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds. After a brief discussion, on motion made by Director Haney and seconded by Director Hudson, the Board voted unanimously to adopt a resolution authorizing the use of surplus construction funds to pay estimates received in connection with the projects listed in said resolution until such time as the balance of the Construction Fund has been depleted. A copy of the resolution is attached hereto as **Exhibit G**.

CLARENCE E. SASSER PARK ("PARK") REPORT

Director Skotak discussed issues regarding lights, dead trees, and drainage at the park. Mr. Wilson advised that Si would investigate the lights. Director Skotak advised that he would investigate the dead trees and drainage issue and report back to the Board.

Mr. Krueger exited the meeting at this time.

DISTRICT WEBSITE

The Board deferred consideration of the website after noting that no reports regarding the District's website have been submitted.

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

The Board deferred consideration of the developers' reports after noting that no representative of a developer was present at the meeting.

BOOKKEEPER'S REPORT

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated December 13, 2016, attached hereto as **Exhibit H**, including the bills, which were presented for payment, as prepared by MA&C. After discussion, Director Haney moved that the Bookkeeper's Report be approved and payment be authorized of the disbursements listed therein. Director Hudson seconded the motion, which unanimously carried.

Ms. Galgano next presented the proposed operating budget for the District's fiscal year ending December 31, 2017, a copy of which is included with the attached Bookkeeper's Report. After review, Director Haney moved that said budget be adopted, as presented. Director Hudson seconded the motion, which unanimously carried.

Director Haney requested that a separate schedule reflecting future District debt service payments be included in future bookkeeping reports. Ms. Galgano advised that she will provide this schedule to the Board.

ATTORNEY'S REPORT

Mr. Stafford advised that he had nothing further of a legal nature to discuss with the Board at this time.

SOCIAL MEDIA

A lengthy discussion ensued regarding potential issues with participation in social media by the Directors. Mr. Stafford advised that SPH would send the Directors a memorandum summarizing the law relative to MUD websites, and that he would investigate the legal status of District Facebook pages.

MATTERS FOR NEXT AGENDA

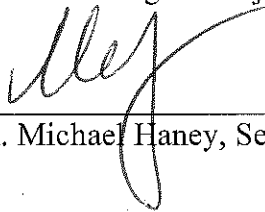
The Board next considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters and matters noted earlier in the meeting were requested

MISCELLANEOUS

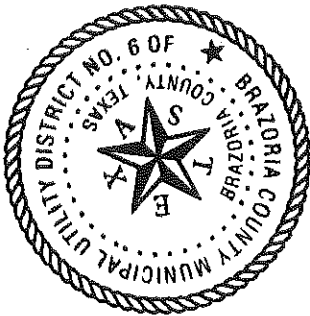
Mr. Stafford advised the Board that Ms. Burns has resigned from SPH, and introduced Ms. Johnson as the new legal assistant for the District.

ADJOURNMENT

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



R. Michael Haney, Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Auditor’s Engagement Letter
- Exhibit B – Tax Assessor/Collector Agreement
- Exhibit C - Delinquent Tax Report
- Exhibit D – Operations Report
- Exhibit E – Order Levying Taxes
- Exhibit F – Engineering Report
- Exhibit G - Resolution Authorizing Use of Surplus Construction Funds
- Exhibit H - Bookkeeper's Report

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