

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6  
Minutes of Meeting of Board of Directors  
April 12, 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 April 12, 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 later in the meeting, as noted herein, and Director Bell, thus constituting a quorum.

Also present were Lisa Bonham of Jones & Carter, Inc. ("J&C"); Chris Wilson of Si Environmental, LLC ("Si"); Diane Michaux, who entered later in the meeting as noted herein, and Natalie Galgano of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Esther Kumaga of Assessments of the Southwest ("ASW"), who entered later in the meeting, as noted herein; Brian Kreuger of BKD, LLP ("BKD"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Brazoria Commissioner Ryan Cade via teleconference, who entered later in the meeting, as noted herein; and Peter Harding and Kara Burns of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, 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 March 8, 2016. After discussion regarding the minutes previously forwarded for review, it was moved by Director Haney, seconded by Director King, and unanimously carried, that said minutes be approved, as written.

Director Hudson entered and assumed the chair of the meeting at this time.

**PUBLIC COMMENTS**

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

**AUDIT REPORT**

Mr. Krueger presented and reviewed the draft of the District's audit report prepared for the fiscal year ended December 31, 2015, a copy of which is attached hereto as **Exhibit A**. In

connection with the requirements of Statement on Auditing Standards No. 112, Mr. Krueger also presented the Board with a Management Letter prepared by BKD concerning the Board's internal controls over financial reporting, and correspondence from BKD to the District concerning significant accounting policies and practices, copies of which are attached hereto with the audit report. Included with such correspondence was the District's response. Director Haney requested that the engineer and operator research the financials of other municipal utility districts in the area and present their findings to the Board. Ms. Bonham advised that she would compile the requested information for the Board's review. After discussion, it was moved by Director Hudson, seconded by Director King and unanimously carried that the audit report for the District's fiscal year ended December 31, 2015, be approved and that the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that the final audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality.

Ms. Kumaga entered the meeting at this time.

**DISCUSSION WITH BRAZORIA COUNTY COMMISSIONER RYAN CADE REGARDING THE ISSUE OF TRAFFIC CONGESTION AT THE INTERSECTION OF COUNTY ROAD 59 ("CR 59") AND COUNTY ROAD 94 ("CR 94")**

Commissioner Cade entered the meeting via teleconference at this time.

Commissioner Cade advised the Board that Brazoria County ("County") engineers have completed the traffic study of the congestion at the intersection of CR 59 and CR 94. He reported that the County engineers have recommended five (5) possible options for remedying the traffic congestion, including; (i) traffic signal timing change, (ii) traffic signal timing change and traffic signal reconfiguration, (iii) traffic signal timing change and construction of a southbound right turn only lane ("turn lane") for the cost of approximately \$100,000, using land currently owned by the County, and (iv) two (2) separate options for future development of the area. Commissioner Cade advised that he would forward Ms. Bonham a copy of the traffic study for the Board's review. He then advised that the County is recommending pursuit of option number three, in which the traffic signal timing is changed in addition to the construction of a turn lane. Director Hudson inquired as to when the County anticipates moving forward on the traffic signal timing change and construction of the turn lane. Commissioner Cade advised that the County is currently confirming that additional land will not need to be acquired prior to the construction of the turn lane and stated that he anticipates that the project will most likely move forward in the third quarter of 2016. Commissioner Cade advised that he would request acceleration of the timing once the project is underway.

Director Skotak thanked Commissioner Cade for coordinating the asphaltting of Sasser Road.

Commissioner Cade exited the meeting via teleconference at this time.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Kumaga distributed to and reviewed with the Board the Tax Assessor-Collector's Report for March 31, 2016, and an Unpaid Accounts Tax Roll as of April 11, 2016, copies of

which are attached hereto as **Exhibit B**. After discussion, on motion made by Director Skotak and seconded by Director King, the Board voted unanimously to approve the report and authorize the payments listed therein.

### **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Harding 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.

### **RESOLUTION AUTHORIZING ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES**

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Harding advised that the Board is authorized to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Hudson, seconded by Director Haney and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and that Perdue Brandon be authorized to proceed with the collection of real property taxes delinquent as of July 1, 2016.

### **OPERATIONS AND MAINTENANCE REPORT**

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

The Board considered review of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Wilson presented an annual report and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities, a copy of which is attached hereto as **Exhibit D**. Mr. Wilson recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

Mr. Wilson advised that Si is in the process of preparing a draft of the Consumer Confidence Report ("CCR") and advised that it will be completed when the Texas Commission on Environmental Quality ("TCEQ") issues its template for the report.

Mr. Wilson advised that Brazoria County Municipal Utility District No. 3 has authorized Bio Landscape & Maintenance, Inc. ("Bio") to perform mosquito treatment along the Sasser Park drainage ditch.

Ms. Michaux entered the meeting at this time.

## ENGINEER'S REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated April 12, 2016, a copy of which is attached hereto as **Exhibit F**.

Ms. Bonham reported that Jones & Carter submitted the District's MS4 Permit Year 2, as previously authorized by the Board.

With regard to the construction of the crosswalk leading to the Park by Traffic Systems Construction ("TSC"), Ms. Bonham reported that several of the crosswalk lights were not working at the time of the final inspection and that a problem with the wiring of the lights has been confirmed. Ms. Bonham advised that the manufacturer of the lights is claiming that the issue is with the method of installation by TSC and not with the lights themselves. She reported that a representative of the manufacturer will be in the vicinity of the District at the end of April and has offered to work with TSC onsite at that time to remedy any issues. Ms. Bonham advised that going forward, the Board could either (i) continue working with TSC to remedy the issues with the crosswalk, or (ii) forward correspondence to the bonding company stating the TSC is in default of the contract. Mr. Harding advised that SPH does not specialize in construction litigation and suggested that the Board invite a construction litigation attorney to the Board's next meeting if they wish to forward correspondence to the bonding company. After discussion, Director Skotak moved that (i) the manufacturer's representative meet with TSC onsite to remedy any issues with the method of installation, (ii) Jones & Carter receive a quote for the installation of lights in the crosswalk by a different contractor for presentation at the May meeting, (iii) that Mr. Harding contact construction litigation attorney Tom Meyers and request his attendance at the May meeting to discuss forwarding correspondence to the bonding company, and (iv) that check no. 9419, in the amount of \$7,494.00, to TSC be voided.

In connection with the Water Plant Improvements being made by Brazoria County Municipal Utility District No. 2 ("No. 2"), Ms. Bonham reported that the contractor mobilized on February 15, 2016.

Ms. Bonham reported that Jones & Carter will request authorization to conduct the annual water plant inspection from No. 2 later in the week and that the anticipated cost of said inspections is \$4,300.

Ms. Bonham reported that Jones & Carter is in the process of preparing a Capital Improvement Plan to present to the Board at the May meeting.

## REVIEW PROPOSALS RECEIVED FOR SOLID WASTE COLLECTION AND RECYCLING SERVICES

Mr. Harding presented the Board with proposals for solid waste collection and recycling services received from Texas Pride Disposal ("TPD") and Waste Corporation of America ("WCA"), copies of which are attached hereto as **Exhibit G**. Mr. Harding also presented the Board with a spreadsheet comparing the rates proposed by TPD and WCA to the District's current solid waste and garbage rates with Waste Management ("WM"), a copy of which is attached hereto as **Exhibit H**. After discussion, the Board requested that SPH request that (i) a representative of TPD attend the May meeting and present a formal contract, and (ii) a manager of WM attend the May meeting to discuss ongoing issues within the District.

## **PARK REPORT**

Mr. Harding advised that Mr. Bob DeForest of KGA/Deforest Landscape Design, L.L.C. ("KGA") was not in attendance at the meeting and had forwarded e-mail correspondence to the Board enumerating the dog parks that have been designed and constructed by KGA for the Board's review.

Mr. Harding reported that SPH contacted the City of Pearland's ("City") Parks and Recreation Department regarding the possibility of securing the City's resident status for recreational fees imposed at City recreational facilities for residents of the District, as previously requested by the Board. He advised that the City provided a form of notice that they would take the matter into consideration and would report back regarding same at a later date.

## **DISCUSSION REGARDING REQUESTS RECEIVED FROM THE CITY OF PEARLAND ("CITY")**

Mr. Harding advised the Board that the District has not yet received a response from Mr. Darrin Coker, attorney for the City, regarding the District's response to the City's latest offer with respect to the City's interest in de-annexing the two out tracts east of 288 and west of the District.

A discussion then ensued regarding forwarding correspondence to the City requesting that residents of the District receive resident status for recreational fees imposed at City recreational facilities.

## **DISTRICT WEBSITE**

Mr. Roach presented the Board with a contract for IT services by and between the District and Apollo IT Services ("Apollo") and a Texas Ethics Commission ("TEC") Form 1295. After discussion, Director King moved to (i) approve the contract for IT services by and between the District and Apollo and authorize the President to execute same on behalf of the Board and District, and (ii) accept the TEC Form 1295 and authorize SPH to acknowledge receipt of same on the TEC website. Director Haney seconded said motion, which unanimously carried. Director King advised that he would provide Mr. Roach with the information necessary to access the District's current website.

## **DEVELOPERS' REPORTS**

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

## **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.

**BOOKKEEPER'S REPORT**

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated April 12, 2016, attached hereto as **Exhibit I**, including the bills, which were presented for payment, as prepared by MA&C. After discussion, Director Hudson moved that the Bookkeeper's Report be approved and payment be authorized of the disbursements listed therein, with the exception of check nos. 9388 and 9419, which were voided. Director King seconded the motion, which carried unanimously.

**ATTORNEY'S REPORT**

Mr. Harding reported that he had nothing new to report in regards to the Silverlake Shopping Center drainage easements and conveyances.

**MATTERS PERTAINING TO DIRECTOR ELECTION SCHEDULED FOR MAY 7, 2016**

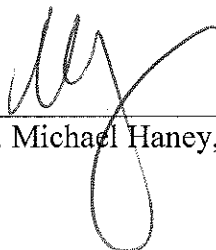
Mr. Harding advised that there was nothing to report regarding the Director Election scheduled May 7, 2016, at this time.

**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

**ADJOURNMENT**

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

  
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R. Michael Haney, Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Draft Audit Fiscal Year End December 31, 2015
- Exhibit B - Tax Assessor/Collector Report
- Exhibit C - Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit D - Identity Theft Red Flag Policy
- Exhibit E - Operations Report
- Exhibit F - Engineers Report
- Exhibit G - WCA and TPD Solid Waste and Recycling Proposals
- Exhibit H - Chart Comparing Solid Waste and Recycling Service Proposals
- Exhibit I - Bookkeeper's Report

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