

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6  
Minutes of Meeting of Board of Directors  
October 11, 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 October 11, 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, thus constituting a quorum.

Also present were Lisa Bonham of Jones & Carter, Inc. ("J&C"), who entered after the meeting had been called to order, as noted herein; Chris Wilson of Si Environmental, LLC ("Si"); Natalie Galgano of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Donna Bryant 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"); Loren Morales of RBC Capital Markets, LLC. ("RBC"); David Fifield, resident of the District, who entered after the meeting had been called to order, as noted herein; and Peter Harding, Will Stafford and Kara Burns of Schwartz, Page & Harding, L.L.P. ("SPH").

The 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 meetings held on September 13, 2016, and September 21, 2016. After discussion regarding the minutes previously forwarded for review, it was moved by Director King, seconded by Director Haney, and unanimously carried, that said minutes be approved, as written.

**PUBLIC COMMENTS**

Mr. Fifield stated that he was pleased with the special Board of Directors meeting held within the District on September 21, 2016, and noted that he believes such meetings within the District should be held to receive input from District residents on special interest items in the future.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

Ms. Bryant distributed to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended September 30, 2016, and an Unpaid Accounts Tax Roll as of October 10, 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. 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.

## **PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2016 TAX RATE; LEVY OF THE DISTRICT'S 2016 TAX RATE AND ADOPTION OF AN ORDER IN CONNECTION THEREWITH**

The President next convened a hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2016. Mr. Fifield inquired as to the District's underlying credit rating. Mr. Morales reported that the District's underlying credit rating is A. After discussion, upon motion by Director King, seconded by Director Bell and unanimously carried, the hearing was closed.

Mr. Fifield exited the meeting at this time.

## **LEVY OF THE DISTRICT'S 2016 DEBT SERVICE AND MAINTENANCE TAX**

The Board then discussed the setting of the 2016 tax rate. Ms. Bryant confirmed that the notice had been published in the *Pearland Reporter News* in accordance with all legal requirements and as directed at the previous meeting and presented an Affidavit of Publication, a copy of which is attached hereto as **Exhibit B**. A lengthy discussion ensued regarding funding for the District's debt service and the District's upcoming necessary capital expenditures, including certain joint projects with Brazoria County MUD Nos. 2 and 3 and the City of Pearland. After discussion on the matter, Director Haney moved that: (i) the Board adopt the tax rate as proposed at the District's September 13, 2016, meeting and as reflected in the notice; (ii) the Board levy a 2016 debt service tax rate of \$0.50 per \$100 of valuation and a 2016 maintenance tax rate of \$0.10 per \$100 of valuation, resulting in a total 2016 tax rate of \$0.60 per \$100 of valuation; and (iii) the Order Levying Taxes attached hereto as **Exhibit C** be adopted in connection therewith and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Bell seconded said motion, which carried unanimously.

## APPROVE AMENDMENT TO DISTRICT INFORMATION FORM

Mr. Harding presented and discussed with the Board an Amendment to the Seventh Amended and Restated District Information Form ("DIF") relative to the District's tax rate. After discussion regarding the amendment to the DIF, Director Haney moved that the amended DIF be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director King seconded said motion, which carried unanimously.

## OPERATIONS AND MAINTENANCE REPORT

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

Mr. Wilson reported that Si excavated and repaired a cracked mainline on Pinebend Drive.

A discussion ensued regarding the possibility of installation of no-parking signs near the entrances to the District's Lift Stations to deter vehicles from blocking the entrance gates. After discussion, the Board requested that Si install said no-parking signs. Mr. Wilson advised that Si would do so.

Mr. Morales exited the meeting at this time.

## ENGINEER'S REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated October 11, 2016, a copy of which is attached hereto as **Exhibit E**.

Ms. Bonham reported that the Texas Commission on Environmental Quality ("TCEQ") approved the Year 2 Annual Report for the District's Storm Water Management Plan/MS4 Permit. She then requested Board authorization for Si to include a Stormwater Runoff flyer in District customers' upcoming water bills. After discussion, the Board requested that Si include said flyers in District customers' upcoming water bills.

Ms. Bonham reported that Brazoria County Municipal Utility District No. 3 ("No. 3") authorized an inspection of the Districts' joint lift stations. She advised that J&C will inspect the lift stations and present an updated cost estimate for necessary repairs at the November meeting.

Ms. Bonham advised that Brazoria County Commissioner Ryan Cade discussed plans for construction of a right-turn only lane at the intersection of County Road 59 and County Road 94 at the District's September 21, 2016, special Board of Director's meeting.

Ms. Bonham reminded the Board that J&C reviewed the existing Water Plant capacity for the District's region and determined that 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"), is in need of amendment in order to update the number of

connections that have been allotted to each participating entity. She reminded the Board that the Contract needs to be amended to reflect the Alternative Capacity Requirement Exception received from the TCEQ in 2009 to increase the number of connections the Elevated Storage Tank could serve to 7,950. She advised that J&C is finalizing the connection counts for existing and future use for all participants and is working with legal counsel for No. 2 to revise the total number of connections and ownership share for each participant.

Mr. Harding reported that the attorney for Mr. Randall Rudy, the owner of the two (2) tracts located outside of the western boundary of the District, recently contacted SPH regarding the possible annexation of said property into the District. Ms. Bonham advised the Board that the Contract will need to be amended before the District can consider said annexation.

With regard to the construction of the crosswalk leading to Sasser Park by Traffic Systems Construction ("TSC"), Ms. Bonham reported that construction litigation attorney Tom Meyers forwarded the bonding company correspondence providing a deadline of today's meeting for completion of the project. She reported that the project has not been completed and advised that she spoke with a representative of TSC this morning, who advised that TSC is currently waiting to receive a quote on wires and a TEC 1295 from the manufacturer. She reported that she contacted the manufacturer directly and inquired as to the possibility of direct installation of the remaining lights and reported that the manufacturer has advised that they are not able to install the lights because they are not a licensed contractor in the state of Texas. Ms. Bonham then advised that J&C received two (2) bids for installation of the lights and reported that the low bid was submitted by Pfeiffer & Sons, Ltd., in the amount of \$9,850, plus the price of materials in the amount of \$15,619.88. After discussion, the Board determined to defer consideration of the matter at this time, and discussed the possibility of holding a special meeting to award the contract for completion of the project prior to the regular November Board meeting.

A discussion then ensued regarding the establishment of 3010 Ravensport Drive Pearland, Texas 77584, as an additional meeting place within the boundaries of the District. Following discussion, Director Haney moved for 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 Hudson and carried by unanimous vote.

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

The Board next considered the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds. Ms. Bonham advised that the District's total share of costs relative to the Water Plant Improvements is \$27,216 for construction and \$13,434 for engineering. After discussion, Director Hudson moved that a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds in the total amount of \$40,650 be approved and that the President and Secretary be authorized to execute same on behalf of the District. Director King seconded said motion, which unanimously carried. A copy of said Resolution is attached hereto as **Exhibit F**.

## **CLARENCE E. SASSER PARK ("PARK") REPORT**

Director Skotak noted several maintenance items in the park in need of attention and advised that he would contact Yellowstone Landscape Group about attending to said items.

## **DISTRICT WEBSITE**

Mr. Roach updated the Board regarding statistics of the District's website. Director King advised that he would work with Mr. Roach to update the District's website.

## **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 requested that J&C prepare correspondence stating District's available capacity. Ms. Bonham advised that she would coordinate preparation of said correspondence to Land Three.

Mr. Gustafson exited the meeting at this time.

## **BOOKKEEPER'S REPORT**

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated October 11, 2016, attached hereto as **Exhibit G**, including the bills, which were presented for payment, as prepared by MA&C. She advised that the operating reserve percentage of expenses for December 2018 is approximately 45% rather than the 103.57% erroneously reflected in the Bookkeeper's Report. After discussion, Director Bell moved that the Bookkeeper's Report be approved and payment be authorized of the disbursements listed therein. Director Haney seconded the motion, which carried unanimously.

There was next a discussion regarding the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Galgano reported that the Energy Report for the District for the period September 2015 through August 2016, is attached to the Bookkeeping Report in compliance with said Chapter.

## **REVIEW OF INVESTMENT POLICY**

The Board considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and adoption of a Resolution in connection therewith. Mr. Harding advised the Board that SPH had no changes to recommend to the Order as adopted on July 12, 2016. After review and discussion, Director Skotak moved that the policies, procedures, provisions and investment strategies set forth in the

Order be affirmed, that the Order remain in effect until amended by further Order of the District, and that the Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer attached hereto as **Exhibit H**, be adopted. Director King seconded said motion, which carried unanimously.

**ATTORNEY'S REPORT**

Mr. Harding advised that he had nothing further of a legal nature to discuss with the Board.

**DISCUSSION REGARDING HOLDING FUTURE MEETINGS WITHIN THE DISTRICT**

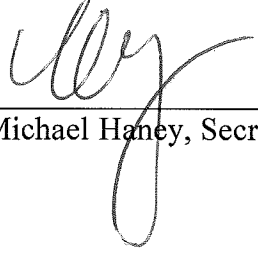
The Board discussed scheduling future special meetings within the District. After discussion, the Board determined that the next special meeting in the District be scheduled for January 2017.

**MATTERS FOR NEXT AGENDA**

The Board considered items for placement on future agendas, and determined that no additional items other than those already discussed or typical and ongoing were necessary.

**ADJOURNMENT**

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

  
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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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