

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
Minutes of Meeting of Board of Directors
February 14, 2017

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 February 14, 2017, 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 and Cheryl Rogers of Jones & Carter, Inc. ("J&C"); Natalie Galgano and Mark Burton of Municipal Accounts & Consulting, L.P. ("Municipal Accounts"); Esther Kumaga of Assessments of the Southwest ("ASW"); Loren Morales of RBC Capital Markets, LLC. ("RBC"); Reese Smith of Land Three, LLC ("Land Three"); Chris Wilson and Kyle Melgrin of Si Environmental ("Si"); John Nguyen of JHunter Properties ("JHunter"); Liem Dang of DLA Architects ("DLA"); and Will Stafford and Jenny Johnson 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.

FIRST AMENDMENT TO RETAIL ELECTRICITY SERVICES ANNEX WITH TEXAS GENERAL LAND OFFICE

Mr. Burton addressed the Board regarding a proposed extension to the Retail Electricity Services Annex (the "Agreement") between the District and the Texas General Land Office (the "GLO"). Mr. Burton reminded the Board that the District participates in a pool with a number of other districts to receive electricity from the GLO and that the current term of the Agreement expires in 2020. He advised that the GLO would like to extend the term by up to four years, and, in connection therewith, presented to the Board a First Amendment to Retail Electricity Services Annex (the "Amendment"). He explained that the rate for electricity during the renewal term would be dependent on the length of same, noting that a renewal term of twenty-four to thirty-six months would guarantee a 5% discount from the current rate, while a renewal term of forty-eight months would guarantee a discount of 4.2%. He explained further that in the event the GLO is unable to obtain such savings within ninety days of the effective date of the Amendment, the Amendment would terminate and be of no further effect. After discussion on the matter, upon motion made by Director Bell, seconded by Director King, and unanimously carried, the Board approved the Amendment and a renewal term of up to forty-eight months and authorized the

President to execute the Amendment on behalf of the District.

Mr. Burton exited the meeting at this time.

UTILITY COMMITMENTS

Mr. Dang introduced himself and Mr. Nguyen to the Board and advised that he was in attendance at the meeting to discuss prospective development of an out-of-district tract. He then presented to and reviewed with the Board a site plan for said tract, a copy of which is attached hereto as **Exhibit A**. Mr. Dang advised the Board that the owners of the tract are currently seeking de-annexation of the tract from the City of Pearland, and inquired as to the District's availability of water supply, sanitary sewer and drainage capacities to serve the tract, if de-annexation is successful. A lengthy discussion then ensued regarding prospective development of surrounding tracts and the District's available water supply, sanitary sewer and drainage capacities. The Board stated that it had the capacity to supply services to the tract in the event that the city de-annexes the tract. The Board thanked Mr. Dang and Mr. Nguyen for their attendance at the meeting.

MINUTES

The Board considered the minutes of its meeting held on January 10, 2017. After discussion regarding the minutes previously forwarded for review, it was moved by Director Haney, 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 comments from members of the public present at this time.

Mr. Dang, Mr. Nguyen and Mr. Smith exited the meeting 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 January 31, 2017, and an Unpaid Accounts Tax Roll as of February 13, 2017, copies of which are attached hereto as **Exhibit B**. 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.

INSURANCE

The Board considered proposals relative to the District's insurance coverages. Mr. Stafford advised the Board that the District is in receipt of a proposal from the District's current insurance provider, Waterworks Insurance Network ("W.I.N.") by Arthur J. Gallagher & Co. ("Gallagher"), a copy of which is attached hereto as **Exhibit C**. After discussion of the insurance proposal submitted by Gallagher, Director Skotak moved to approve the proposal received from Gallagher for the District's Property, Boiler and Machinery, General Liability/Hired & Non-Owned Auto, Pollution Liability, Umbrella Liability, Directors and Officers, Public Employee Blanket Crime, Directors Bond, and Peace Officer Bond insurance policies. Director Bell seconded said motion, which carried unanimously.

OPERATIONS REPORT

Mr. Wilson presented to and reviewed with the Board an Operations Report for the month of January, 2017, 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.

ENGINEERING REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated February 14, 2017, a copy of which is attached hereto as **Exhibit E**.

Ms. Bonham reported that Jones & Carter has finalized the annual report for the District's Storm Water Management Plan/MS4 Permit Year 3 and recommended approval of same. After Discussion, Director Haney moved to approve the annual report for the District's MS4 Permit Year 3 and authorize submission of same to the Texas Commission on Environmental Quality. Director King seconded said motion, which unanimously carried.

Mr. Morales exited the meeting at this time.

REVIEW OF ANNUAL SURVEY OF WAGE RATE SCALES AND CONSIDER ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a resolution in connection therewith. In that regard, Mr. Stafford reported that the United States Department of Labor ("DOL") wage rate scale previously adopted by the Board has been revised. After discussion, Director Bell moved that, as permitted under Section 2258.022 of the Government Code, the revised DOL wage rate scale be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit F** be adopted by the Board. Director Haney seconded said motion, which unanimously carried.

CLARENCE E. SASSER PARK ("PARK") REPORT

Director Skotak discussed issues regarding dead trees, minor landscaping improvements and security issues at the park. Director Skotak advised that he would investigate the matters and report back to the Board.

Director Skotak then updated the Board on a meeting with Captain Foreman of the Brazoria County Sheriff's Office ("BCSO") regarding the time commitment required of BCSO pursuant to the Interlocal Agreement ("Interlocal Agreement") between BCSO, the District, and Brazoria County Municipal Utility District No. 2 ("No. 2"), and Brazoria County Municipal Utility District No. 3 ("No. 3"). He reported that the meeting went well and that the Sheriff's Department will continue to provide patrol to the area in accordance with the Interlocal Agreement. Ms. Galgano advised that the Interlocal Agreement requires that BCSO provide 50 hours per week of patrol services inside the service area boundaries of the District, No. 2, and No. 3.

DISTRICT WEBSITE

Director Bell reported that the District's website was updated and that test emails have been received.

Director King next inquired as to testing the Emergency Notification System. Mr. Stafford advised that SPH would research further and report back to the Board.

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 February 14, 2017, attached hereto as **Exhibit G**, 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 presented and reviewed with the Board a Quarterly Investment Inventory Report for the period ending December 31, 2016, a copy of which report is attached to the Bookkeeper's Report. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Haney, seconded by Director Hudson and unanimously carried, said Quarterly Investment Inventory Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

ATTORNEY'S REPORT

Mr. Stafford reported that he has not received a response from the City of Pearland since sending the additional information the City requested regarding future bond sales by the District.

SOCIAL MEDIA


A lengthy discussion ensued regarding potential issues with participation in social media by the Directors. Mr. Stafford advised that the District Facebook pages may be considered a District website and use as such has legal implications, but that area of law remains unsettled. He recommended that the District's Facebook page be deactivated. After discussion, the Board concurred that the Facebook page be deactivated. Director King stated that he would do so and report back at the next meeting.

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 Haney, and unanimously carried, the meeting was adjourned.



R. Michael Haney, Secretary
Erich Bell, Assistant Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Site Plan
- Exhibit B - Tax Assessor/Collector's Report
- Exhibit C - Insurance Proposal
- Exhibit D - Operations Report
- Exhibit E - Engineering Report
- Exhibit F - Resolution Adopting Prevailing Wage Rate Scale for Construction
Projects
- Exhibit G - Bookkeeper's Report

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