

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
Minutes of Meeting of Board of Directors
August 9, 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 August 9, 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 had been called to order, as noted herein, thus constituting a quorum.

Also present were Lisa Bonham of Jones & Carter, Inc. ("J&C"); Chris Wilson 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"); Jim Gustafson, of Land Three, L.L.C. who entered after the meeting had been called to order, as noted herein, ("Land Three"); Eugene Shepherd and Matt Dustin of RBC Capital Markets, LLC. ("RBC"); and Peter Harding 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 July 12, 2016. After discussion regarding the minutes previously forwarded for review, it was moved by Director Bell, seconded by Director King, and unanimously carried, that said minutes be approved, as written.

Director Hudson and Mr. Gustafson entered the meeting at this time.

PUBLIC COMMENTS

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

CONSIDER ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2016

Mr. Shepherd presented to and reviewed with the Board the District's financial statement

generated by the Municipal Advisory Council of Texas, a copy of which is attached hereto as **Exhibit A**. Mr. Dustin then presented to and reviewed with the Board a handout detailing the proposed Refunding Bonds, Series 2016, a copy of which is attached hereto as **Exhibit B**. He advised the Board that, at this time, the estimated cost of issuance of the proposed Refunding Bonds, Series 2016, is higher than the present value savings that would be achieved through said refunding, and stated that RBC is not advising that the District proceed with said refunding at this time. After discussion, the Board concurred that that the District not proceed with the issuance of the proposed Refunding Bonds, Series 2016, at this time. The Board also requested that RBC review the District's Capital Improvement Plan ("CIP") recently developed by J&C and report back to the Board regarding the need to issue new money bonds for future capital improvement projects of the District. Mr. Shepherd advised that he would do so.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Kumaga distributed to and reviewed with the Board the Tax Assessor-Collector's Report for the month ended July 31, 2016, and an Unpaid Accounts Tax Roll as of August 8, 2016, copies of which are attached hereto as **Exhibit C**. Ms. Kumaga reported that the certified tax value of the District for the 2016 tax year had been received from the Brazoria County Appraisal District ("BCAD") and advised that the average home value of the District decreased from \$312,345 in 2015 to \$264,417 in 2016. After discussion, the Board requested that Ms. Kumaga confirm the calculations submitted by BCAD as the reduction in the average home value is significant. After further discussion, on motion made by Director King and seconded by Director Skotak, the Board voted unanimously to approve the report and authorize the payments listed therein.

FINANCIAL ADVISORS RECOMMENDATION CONCERNING PROPOSED 2016 TAX RATE

Mr. Dustin presented the recommendation of RBC regarding the proposed 2016 debt service and maintenance tax rates, a copy of which is attached hereto as **Exhibit D**. Mr. Dustin advised that the recommendation is for a 2016 debt service tax rate per \$100 of assessed valuation of \$0.44 and a maintenance tax rate per \$100 of assessed valuation of \$0.06, for a total tax rate of \$0.50 per \$100 of assessed valuation. He advised that RBC has estimated that a maintenance tax rate of \$0.06 per \$100 assessed valuation would provide \$341,506 in revenue at 95% collection. Ms. Kumaga then advised the Board that the rollback maintenance tax rate is \$0.765 and the parity tax rate is \$0.70. A lengthy discussion ensued regarding future annexation and developer reimbursements. After discussion, the Board requested that RBC prepare an eight-year analysis detailing the sale of future bonds in order to pay expenses associated with the CIP without increasing the District tax rate. Mr. Dustin advised that RBC would present the requested analysis to the Board for their consideration at the September Board meeting. The Board deferred further discussion of the 2016 tax rate at this time.

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.

OPERATIONS AND MAINTENANCE REPORT

Mr. Wilson presented to and reviewed with the Board an Operations Report for the month of July 2016, a copy of which is attached hereto as **Exhibit E**. The Board concurred that no action was necessary relative to such report at this time.

ENGINEER'S REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated August 9, 2016, a copy of which is attached hereto as **Exhibit F**.

With regard to the construction of the crosswalk leading to Sasser Park by Traffic Systems Construction ("TSC"), Ms. Bonham reported that J&C and construction litigation attorney Tom Meyers held a conference call with the bonding company on behalf of the District. She advised that the manufacturer has agreed to monitor installation of the in-pavement lights by TSC and provide a warranty if the lights are installed correctly. Ms. Bonham reported that installation will take place after TSC and the manufacturer have agreed upon payment of past due invoices between the two parties.

Ms. Bonham reported that the traffic study of the intersection of County Road 59 and County Road 94 has not yet been finalized by Brazoria County ("County"). Director Hudson requested that Ms. Bonham request County Commissioner Cade's attendance at the special Board of Directors meeting to be held in the District on September 21, 2016, at 7:00 p.m. Ms. Bonham advised that she would inquire as to Commissioner Cade's availability and would report back to the Board regarding same.

Ms. Bonham reported J&C will finalize the CIP after final review has been completed by Brazoria County Municipal Utility District No. 3 ("No. 3").

Ms. Bonham reported that J&C has reviewed the existing Water Plant capacity for the District's region. She advised that J&C has determined that the Restated Joint Water Facilities Contract by and between the District, Brazoria County Municipal Utility District No. 2 ("No. 2"), the City of Pearland ("City"), and No. 3 is in need of amendment in order to update the number of connections that have been allotted by the Texas Commission on Environmental Quality ("TCEQ"). Ms. Bonham reported that No. 2 received an Alternative Capacity Requirement Exception approval from the TCEQ in 2009, increasing their number of connection the Elevated Storage Tank at the WP could serve to 7,950. After discussion, the Board requested that Ms. Bonham (i) discuss the proposed amendment with No. 2, and (ii) discuss obtaining additional connections for the District's future development from No. 2 and No. 3.

ADOPT RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS RELATIVE TO 2017 LIFT STATION REHABILITATION PROJECT

The Board deferred consideration of the adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds at this time.

CLARENCE E. SASSER PARK ("PARK") REPORT

Director King reported that he received an inquiry from a District resident regarding recycling at the Park. After discussion, the Board noted that recycling at the Park is not available at this time.

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

In connection to the City's inquiry as to the District's interest in participating in funding a portion of an east frontage road along Highway State Highway 288, Mr. Harding advised that he conveyed to Mr. Coker that the District would be interested in funding a portion of an east frontage road should the City be amenable to (i) consenting to the District acquiring road powers, (ii) extending the District's permitted bond maturity schedule, (iii) agreeing that the District not be annexed by the City for thirty (30) years, and (iv) allowing the District to annex the out tracts located on the west boundary of the District. Mr. Harding reported that he received return correspondence from Mr. Coker advising that it is not in the best interest of the City to defer annexation of the District and that the City would proceed with construction of the frontage road without participation of the District.

DISTRICT WEBSITE

Mr. Roach updated the Board regarding statistics of 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

Director King reported that he received an e-mail from a representative of the Siverlake Shopping Center regarding conveyance of facilities to the District. Mr. Harding advised that SPH would contact said representative regarding said inquiry.

BOOKKEEPER'S REPORT & QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated August 9, 2016, attached hereto as **Exhibit G**, including the bills, which were presented for payment, as prepared by MA&C. The Board requested that a portion of the District's remaining surplus bond proceeds be used to finance costs associated with the District's WP improvements. Ms. Bonham reported that she would forward the final cost associated with the WP improvements to SPH and MA&C when the final pay estimate has been received. After discussion, Director Haney moved that the Bookkeeper's Report be approved and payment be authorized of the disbursements listed therein. Director Bell seconded the motion, which carried unanimously.

Ms. Galgano then presented the Quarterly Investment Inventory Report for the period ended June 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 June 30, 2016, be approved, and that the District's Investment Officers be authorized to sign such report on behalf of the District. Director Bell seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

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

DISCUSSION REGARDING HOLDING FUTURE MEETINGS WITHIN THE DISTRICT

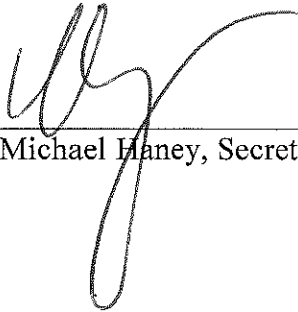
The Board discussed scheduling a special meeting within the District to discuss the (i) potential construction of a dog park within the Park and (ii) construction of right-turn only lane at the intersection of County Road 59 and County Road 94. After discussion, the Board requested that a meeting be held within the District on September 21, 2016, at 7:00 p.m. Mr. Harding advised that SPH would coordinate the scheduling of said meeting. The Board requested that notification of the meeting be provided to District residents on the next water bill and on the District's website.

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 Skotak, seconded by Director Hudson, and unanimously carried, the meeting was adjourned.



R. Michael Haney, Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Municipal Advisory Counsel Handout
- Exhibit B - Proposed Refunding, Series 2016 Handout
- Exhibit C - Tax Assessor/Collector Agreement
- Exhibit D - 2016 Tax Rate Recommendation
- Exhibit E - Operations Report
- Exhibit F - Engineering Report
- Exhibit G - Bookkeeper's Report

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