

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 6
Minutes of Meeting of Board of Directors
September 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 September 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 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 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"); Jeremy Roach of Apollo IT Consulting ("Apollo"); Jim Gustafson, of Land Three, L.L.C. ("Land Three"); Matt Dustin and Loren Morales 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 August 9, 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.

PUBLIC COMMENTS

The Board deferred discussion of public comments as there were no members of the public present 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 August 31, 2016, and an Unpaid Accounts Tax Roll as of September 12, 2016, copies of which are attached hereto as **Exhibit A**. Ms. Kumaga reported that the Brazoria County Appraisal District has revised the District's certified tax value rolls for the 2016

tax year. 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 presented and reviewed with the Board the delinquent tax collections report from Perdue, Brandon, Fielder, Collins & Mott L.L.P. ("Perdue Brandon"), the District's delinquent tax collection attorneys, regarding legal action taken on delinquent tax accounts, a copy of which report is included with the tax assessor-collector's report. Mr. Harding noted that no Board action was necessary at this time.

RECOMMENDATION CONCERNING THE PROPOSED 2016 TAX RATE

Director Hudson entered the meeting at this time.

Mr. Dustin discussed with the Board the possibility of a future new money bond issue with an eight (8) year debt service schedule. After discussion, the Board requested that Mr. Dustin coordinate with Ms. Bonham to discuss the issuance of new money bonds in connection with capital improvement projects detailed in the District's Capital Improvement Plan. Mr. Dustin advised that he would do so.

Mr. Dustin then presented to and reviewed with the Board the recommendation of RBC regarding the proposed 2016 debt service tax rate, a copy of which is attached hereto as **Exhibit A**. Mr. Dustin advised that the recommendation is for a 2016 debt service tax rate of \$0.54 per \$100 of assessed valuation and a maintenance tax rate of \$0.06 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 \$0.61236 and the parity tax rate is \$0.567.

After lengthy discussion, Director Bell moved that the Board announce its intent to levy a 2016 debt service tax rate per \$100 of assessed valuation of \$0.50 and a maintenance tax rate of \$0.10, for a total tax rate of \$0.60 per \$100 of assessed valuation. Director Haney seconded the motion, which carried unanimously.

There next followed a discussion concerning the requirements for notice of the District's intention to adopt its 2016 tax rate. Mr. Harding advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Harding further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting. After discussion, Director Bell moved that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt its 2016 tax rate at its

next meeting in the form and at the time required by law. Director Haney seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in the *Pearland Reporter*.

OPERATIONS AND MAINTENANCE REPORT

Mr. Dustin and Mr. Morales exited the meeting at this time.

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

Mr. Wilson reported that the District's water accountability was at 89.98% for the month of July. He advised that Si will continue to monitor the District's accountability and will investigate the District's system for any possible leaks or faulty meters.

Director King reported that he received an e-mail from a District customer requesting an appeal of District charges. He advised that he would forward said e-mail to the Board for review prior to the next meeting.

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.

Director King exited the meeting at this time.

ENGINEER'S REPORT

Ms. Bonham presented to and reviewed with the Board the Engineering Report dated September 13, 2016, a copy of which is attached hereto as **Exhibit D**.

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 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"). Ms. Bonham advised that she requested the attendance of County Commissioner Cade, as previously requested by the Board, at the special Board of Directors meeting to be held in the District on September 21, 2016, at 7:00 p.m., and reported that Commissioner Cade has advised that he will be in attendance at said meeting to discuss the traffic study.

Ms. Bonham reported that J&C completed inspection of the districts' joint Water Plant ("WP") and that there were no urgent findings. She advised that miscellaneous re-coatings will be recommended to the Board of Directors of Brazoria County Municipal Utility District No. 2 ("No. 2") at their next meeting.

With regard to the construction of the crosswalk leading to Sasser Park by Traffic Systems Construction ("TSC"), Ms. Bonham reported that TSC and the manufacturer have not yet agreed upon payment of past due invoices between the two parties and that installation will not take place until the past due invoices have been paid. After discussion, the Board requested that J&C and SPH discuss further legal action available to the Board with construction litigation attorney Tom Meyers. The Board then requested that Ms. Bonham solicit a proposal for the installation of in-pavement lights directly from the manufacturer of the lights and present same to the Board for consideration at the October meeting. Ms. Bonham advised that she would do so.

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 by and between the District, 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 by the TCEQ. Ms. Bonham reported that No. 2 agreed to review and revise the contract to reflect the Alternative Capacity Requirement Exception received from the TCEQ in 2009 to increase the number of connection 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 will work with legal counsel for No. 2 to revise the total number of connection and ownership share for each participant.

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 Hudson reported that evergreen trees located in the Park are dying. Director Skotak advised that he would investigate the matter and report back to the Board regarding same at the October 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.

DEVELOPERS' REPORTS

Mr. Gustafson presented to and reviewed with the Board correspondence from Gustafson requesting the status of District facilities available to ten (10) acres of land located on the west boundary of the District, a copy of which is attached hereto as **Exhibit E**. After discussion, the Board requested that Mr. Gustafson coordinate with J&C to determine the capacity available to the Gustafson Tract.

BOOKKEEPER'S REPORT & QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Galgano presented to and reviewed with the Board the Bookkeeper's Report, dated September 13, 2016, attached hereto as **Exhibit F**, including the bills, which were presented for payment, as prepared by MA&C. After discussion, Director Skotak 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.

ATTORNEY'S REPORT

Mr. Harding presented a report for 2016 from Municipal Risk Management Group, L.L.C. relative to District bond issues subject to arbitrage rebate and/or yield restriction regulations of the Internal Revenue Service. The report reflected that the District's Series 2012 bonds are subject to a fifth year arbitrage rebate report that is due no later than sixty days after February 29, 2017, and recommended the engagement of Arbitrage Compliance Specialists, Inc. to prepare arbitrage compliance computations as required by the Internal Revenue Service. Mr. Harding presented an engagement letter provided by Arbitrage Compliance Specialists and reviewed same with the Board. A copy of the Annual Maintenance report and the engagement letter are attached hereto as **Exhibit F**. After discussion, Director Skotak moved that Arbitrage Compliance Specialists be engaged and that the President be authorized to execute the letter evidencing such engagement. Director Bell seconded the motion, which carried unanimous

DISCUSSION REGARDING HOLDING FUTURE MEETINGS WITHIN THE DISTRICT

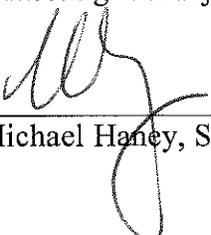
The Board discussed scheduling a special meeting within the District to discuss the (i) potential construction of a dog park within the Park and (ii) construction of right-turn only lane at the intersection of County Road 59 and County Road 94. After discussion, the Board requested that a meeting be 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 and would post an agenda in connection therewith.

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 Bell, and unanimously carried, the meeting was adjourned.



R. Michael Haney, Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – 2016 Tax Rate Recommendation
- Exhibit B - Tax Assessor/Collector Agreement
- Exhibit C - Operations Report
- Exhibit D - Engineer's Report
- Exhibit E - Correspondence from Gustafson Group
- Exhibit F - Bookkeeper's Report
- Exhibit G - Annual Arbitrage Maintenance Report

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