

## MINUTES

### FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

December 10, 2019

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 50 (the "District") met in regular session, open to the public, on the 10th day of December, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Craig Lewis	President
Jerry Slatton	Vice President
Peter Lajoie	Secretary
Reginald Stubblefield	Assistant Secretary
Leon Bridges	Assistant Vice President

and all of the above were present except Director Stubblefield, thus constituting a quorum.

Also present for all or part of the meeting were Ryan Day of Meritage Homes ("Meritage"); Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jordan Williams of R.G. Miller Engineers, Inc. ("R.G. Miller"); Wendy Austin of District Data Services, Inc.; Calvin Browne of Municipal District Services, LLC ("MDS"); Phil Halbert of Champions Hydro-Lawn, Inc. ("Champions"); Mark Eyring of Roth & Eyring, PLLC; Julie Williams of Rathmann and Associates, L.P. ("Rathmann"); and Christina Miller, Aaron Carpenter, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

#### PUBLIC COMMENTS

There were no comments from the public.

#### MINUTES

The Board reviewed the minutes of the regular meeting held November 12, 2019. After review and discussion, Director Slatton moved to approve the minutes of the regular meeting held November 12, 2019, as submitted. Director Bridges seconded the motion, which passed by unanimous vote.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Flores reviewed the tax assessor/collector's report, a copy of which is attached. She reported that 3.31% of the 2019 tax levy had been collected as of November 30, 2019. After review and discussion, Director Bridges moved to approve

the tax assessor/collector's report and payment of the bills listed in the report. Director Lajoie seconded the motion, which passed by unanimous vote.

#### AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019

Mr. Eyring reviewed the District's audit for the fiscal year ended September 30, 2019. After review and discussion, Director Lajoie moved to approve the audit, subject to final director and consultant review, authorize filing of the audit with the Texas Commission on Environmental Quality ("TCEQ"), and direct that the audit be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented the bookkeeper's report, including the investment report, a copy of which is attached, and submitted the District's bills for payment. After review and discussion, Director Slatton moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Lajoie seconded the motion, which passed by unanimous vote.

#### APPROVE PAYMENT TO SIMMONS BANK PURSUANT TO SETTLEMENT AGREEMENT

Ms. Austin stated that she has prepared a check in the amount of \$35,716.25 to Simmons Bank for the District's quarterly interest on the unpaid balance of the purchase price for the property designated for the detention basin pursuant to the Settlement Agreement between the District and SDB Real Estate, LLC. After discussion, Director Slatton moved to approve payment of \$35,716.25 to Simmons Bank. Director Lajoie seconded the motion, which passed by unanimous vote.

#### TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the upcoming Association of Water Board Directors winter conference to be held January 17 and 18, 2020. After discussion, Director Slatton moved to authorize directors attending the conference up to three per diems, two nights' hotel accommodations, mileage, and reimbursement of any meals not sponsored by the conference. Director Lajoie seconded the motion, which passed by unanimous vote.

#### OPERATION OF DISTRICT FACILITIES

Mr. Browne reviewed the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 94.8% and reported on maintenance performed at the District's facilities.

Discussion ensued regarding installing plastic manhole drum covers on manholes located in the District. Following discussion, Director Bridges made a motion to authorize MDS to install plastic manhole drum covers on manholes located in Westpark Lakes at a cost not to exceed \$1,000. Director Lajoie seconded the motion, which passed unanimously. The Board requested that Mr. Browne present a proposal to add additional plastic manhole drum covers on manholes located in the District next month.

Mr. Browne reported that MDS will televise the sanitary sewer line and the water line located on Pico Landing Street in Grand Meadow to determine whether the sidewalk settlement is being caused by a District issue.

After review and discussion, Director Slatton moved to approve the operator's report. Director Lajoie seconded the motion, which passed unanimously.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

The Board conducted a hearing on the termination of utility service. Mr. Browne presented a list of delinquent customers and reported that the residents on the termination list were mailed written notice prior to this meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. Following review and discussion, Director Slatton moved that, because the customers on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with the procedures set forth in the District's Rate Order, and the delinquent customer list should be filed appropriately and retained in the District's official records. Director Lajoie seconded the motion, which passed by unanimous vote.

#### GARBAGE AND RECYCLING SERVICE MATTERS

There was no discussion on garbage and recycling matters.

#### DEVELOPMENT IN THE DISTRICT

Mr. Day reported on a proposed single-family development in the District by Meritage.

Ms. Miller discussed a Development Financing Agreement between the District and Meritage. Following discussion, Director Bridges moved to approve the Development Financing Agreement with Meritage as discussed, subject to final approval by ABHR, and direct that the agreement be filed appropriately and retained in

the District's official records. Director Slatton seconded the motion, which passed by unanimous vote.

Ms. Miller reported that Meritage increased its request to the District for single-family sanitary sewer and water connections ("ESFC") for a proposed single-family development in the District from 125 ESFCs to 130 ESFCs, and she presented a Utility Commitment Letter with Meritage for 130 ESFCs. Following review and discussion, Director Bridges moved to approve the Utility Commitment Letter with Meritage and direct that it be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed by unanimous vote.

#### NORTH FORT BEND WATER AUTHORITY MATTERS ("NFBWA") MATTERS

The Board reviewed a memorandum from the NFBWA, a copy of which is attached, regarding the proposed pumpage fee and surface water fee increase that will take effect January 1, 2020.

Ms. Miller updated the Board on NFBWA matters. She discussed the District's participation in the Larry's Toolbox Water Conservation Program (the "Program"). The Board discussed the enrollment form for the 2020 Program and the choices for water conservation initiatives. After review and discussion, Director Bridges moved to (1) approve the Larry's Toolbox Enrollment Form as discussed and completed by the Board; and (2) authorize ABHR to submit the enrollment form to the NFBWA. Director Slatton seconded the motion, which passed by unanimous vote.

Ms. Miller noted that due to the Christmas Holiday, the NFBWA regular Board meeting for the month of December has been moved to December 19, 2019.

#### ENGINEERING MATTERS

Ms. Jordan Williams presented the engineer's report, a copy of which is attached, including the projects specifically addressed as follows:

##### PARK WESTHEIMER BOULEVARD EXTENSION AND DRAINAGE IMPROVEMENTS

Ms. Jordan Williams gave an update on construction of the Park Westheimer Boulevard extension and drainage improvements and stated construction is 95% complete.

##### BAR SCREEN TO SERVE INTERIM WASTEWATER TREATMENT PLANT ("WWTP")

Ms. Jordan Williams gave an update on construction of the bar screen to serve interim WWTP. She recommended approval of Pay Estimate No. 1 and

Final in the amount of \$11,227.00 to AUC Group, Inc. and acceptance of the project.

#### PERMANENT WWTP AND LIFT STATION

Ms. Jordan Williams gave an update on construction of the permanent WWTP and the lift station at the permanent WWTP and stated construction is 5% complete. She recommended approval of Pay Estimate No. 1 in the amount of \$716,008.50 to C4 Partners, LLC.

#### OFFSITE UTILITIES TO SERVE PERMANENT WWTP

Ms. Jordan Williams gave an update on construction of the offsite utilities to serve the permanent WWTP and stated a Notice to Proceed for the project was issued for today.

#### WATER PLANT NO. 2

Ms. Jordan Williams gave an update on construction of Water Plant No. 2 and stated construction is 40% complete. She recommended the Board approve Pay Estimate No. 6 in the amount of \$91,974.38 to Nunn Constructors, Ltd. ("Nunn").

#### DETENTION FACILITIES TO SERVE DISTRICT EAST

Ms. Jordan Williams reported on construction of the detention facilities to serve District East. She presented a proposal from TexaClean Services LLC ("TexaClean"), a copy of which is attached to the engineer's report, in the amount of \$29,750.00 to address project deficiencies. Ms. Jordan Williams noted that the costs to address the project deficiencies are not reimbursable. The Board requested that Ms. Jordan Williams confirm that Parkway Lakes Development, Inc., escrowed sufficient funds to cover the cost of the proposal from TexaClean.

#### PROPOSAL FOR UPDATE TO DRAINAGE STUDY

Ms. Jordan Williams reported that updates to the District's drainage study are required due to updated Fort Bend County criteria based on the Atlas 14 rainfall study. She presented a proposal from R.G. Miller, a copy of which is attached to the engineer's report, in the amount of \$30,000.00 to update the District's drainage study.

#### STORM WATER PERMITTING MATTERS

Ms. Jordan Williams presented a public education flyer developed in connection with the District's Storm Water Management Plan, a copy of which is

attached to the engineer's report, and requested approval from the Board to post the flyer to the District's website.

#### BOND APPLICATION NO. 9

Ms. Jordan Williams indicated that bond application no. 9 is under review by the TCEQ.

After review and discussion, based on the engineer's recommendation, Director Bridges moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 and Final in the amount of \$11,227.00 to AUC Group, Inc., for construction of the bar screen to serve interim WWTP and accept the project; (3) approve Pay Estimate No. 1 in the amount of \$716,008.50 to C4 Partners, LLC for construction of the permanent WWTP and the lift station at the permanent WWTP; (4) approve Pay Estimate No. 6 in the amount of \$91,974.38 to Nunn for construction of Water Plant No. 2; (5) approve the proposal from TexaClean in the amount of \$29,750.00 for the detention facilities to serve District East, subject to confirmation from the bookkeeper that Parkway Lakes Development, Inc., escrowed sufficient funds to cover the cost of the proposal; (6) approve the proposal from R.G. Miller in the amount of \$30,000.00 to update the District's drainage study; and (7) authorize Director Lajoie to post the public education flyer developed in connection with the District's Storm Water Management Plan to the District's website. Director Slatton seconded the motion, which passed by unanimous vote.

#### RESOLUTION AUTHORIZING APPLICATION TO TCEQ FOR RELEASE OF ESCROWED FUNDS

Ms. Miller presented and reviewed a Resolution Authorizing Application to the TCEQ Requesting Release of Funds from Escrow, which requests the release from escrow of \$430,000.00 of Series 2011 bond proceeds from escrow for costs related to the construction of the WWTP. Following review and discussion, Director Bridges moved to adopt the Resolution Authorizing Application to the TCEQ Requesting Release of Funds from Escrow and direct that the Resolution be filed appropriately and retained in the District's official records. Director Lajoie seconded the motion which passed by unanimous vote.

#### REPORT ON MAINTENANCE OF DISTRICT DETENTION PONDS AND FACILITY SITES

Mr. Halbert reviewed a report from Champions on maintenance of the District's detention ponds and facility sites, a copy of which is attached. He reported that the District resident at 21614 Sierra Long Drive allowed a swimming pool contractor to access the District's property to enter the back yard of their residence for the excavation

of a pool and that the ground needs to be restored to its original condition. Mr. Halbert reported that the District resident located at 7534 Rosepath Lane disposed of tree limbs behind their fence onto the drainage channel. He then reported that the District resident at 21623 Sierra Long Drive allowed a fence contractor to access the District's property to build a new fence.

Following review and discussion, Director Slatton authorized ABHR to send a letter to (1) the resident at 21614 Sierra Long Drive requesting that the resident restore the ground to its original condition; (2) the resident at 7534 Rosepath Lane requesting that the resident remove the tree debris; and (3) the resident at 21623 Sierra Long Drive requesting that the resident restore the ground to its original condition. Director Lajoie seconded the motion, which passed by unanimous vote.

#### PARK AND RECREATIONAL FACILITY PLANNING MATTERS

The Board deferred discussing a Resolution Establishing Rules and Regulations Governing the Use of District Detention and Recreation Facilities until next month.

#### DISTRICT WEBSITE MATTERS

There was no discussion on District website matters.

#### REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Miller reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812, 84<sup>th</sup> Texas Legislature.

#### SERIES 2019 BOND ANTICIPATION NOTE

Ms. Julie Williams discussed issuance of a \$4,033,000.00 Bond Anticipation Note, Series 2019 (the "BAN") to fund a certain project included in bond application no. 9. She reviewed the bids for the BAN and presented a letter to the Board from Rathmann, a copy of which is attached, recommending the issuance of the BAN to Texas Capital Bank at a rate of 1.8%. After discussion, Director Slatton moved to approve the issuance of the BAN to Texas Capital Bank at a rate of 1.8%. Director Bridges seconded the motion, which passed unanimously.

The Board next considered adopting a Resolution Authorizing the Issuance of the District's BAN. Ms. Miller reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the BAN, the payment of the BAN from a future bond issue by the District, and certain District covenants regarding the tax-exempt status of the BAN. After

review and discussion, Director Slatton moved to adopt the Resolution Authorizing the Issuance of the District's BAN. Director Bridges seconded the motion, which was approved by unanimous vote.

Ms. Miller next explained that there will be various documents related to the issuance of the BAN requiring execution by the directors prior to closing. She requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction. Ms. Miller also requested that the Board authorize the attorney and financial advisor to take all necessary action to deliver the BAN to the purchaser. Director Slatton moved to authorize execution of documents related to the issuance of the BAN and to authorize the attorney and financial advisor to take all necessary action to deliver the BAN to the purchaser. Director Bridges seconded the motion, which was approved by unanimous vote.

The Board considered authorizing execution of the Purchasers' Investment and Bid Letter submitted by Texas Capital Bank and various certificates and documents related to the issuance of the BAN. Following discussion and review, Director Slatton moved to authorize execution of the Purchasers' Investment and Bid Letter by Texas Capital Bank and various certificates and documents related to the issuance of the BAN. Director Bridges seconded the motion, which carried unanimously.

Ms. Miller presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Slatton moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed by unanimous vote.

The Board considered authorizing the disbursement the BAN proceeds. Following discussion, Director Slatton moved to authorize disbursement of the BAN proceeds following receipt of funds by the District on December 17, 2019. Director Bridges seconded the motion, which passed by unanimous vote.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, A SETTLEMENT OFFER, PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, DISCUSS OR DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY, OR PURSUANT TO SECTION 551.087, TEXAS GOVERNMENT CODE, TO DISCUSS THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT

The Board did not convene in Executive Session.

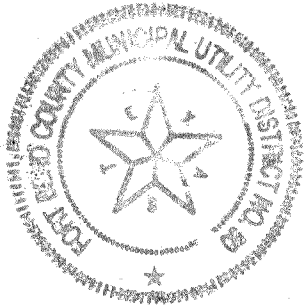


ECONOMIC DEVELOPMENT AGREEMENT BETWEEN DISTRICT, PARKWAY  
LAKES DEVELOPMENT, INC., AND NORTH FORT BEND REDEVELOPMENT  
AUTHORITY

Ms. Miller gave an update on the Economic Development Agreement between the District, Parkway Lakes Development, Inc., and the North Fort Bend Redevelopment Authority.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



  
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Secretary, Board of Directors

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