

MINUTES

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

September 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 September, 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 Muhammad Sadiq, a member of the public; Robert ("Bobby") Ferguson, Jr. of Parkway Lakes Development, Inc.; Bill Calderon of Calderon Economic Development Strategies, LLC, representing Parkway Lakes Development, Inc.; 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 and William Harris of Champions Hydro-Lawn, Inc. ("Champions"); Mark Eyring of Mark C. Eyring, CPA, PLLC; Christie Leighton of Best Trash, LLC ("Best Trash"); and Christina Miller 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 August 13, 2019. After review and discussion, Director Slatton moved to approve the minutes of the regular meeting held August 13, 2019, as submitted. Director Lajoie 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 99.21% of the 2018 tax levy had been collected as of August 31, 2019. After review and discussion, Director Slatton moved to approve the tax assessor/collector's report and payment of the bills listed in the report. Director Bridges seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE

Ms. Flores stated that Tax Tech published a Notice of Public Hearing stating that the District anticipates levying a \$0.91 tax rate at this meeting.

Director Slatton then opened the public hearing at 9:35 a.m. No members of the public came forward to make comments. Director Slatton closed the public hearing at 9:36 a.m.

ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Miller presented to the Board an Order Levying Taxes for 2019 reflecting a total \$0.91 tax rate comprised of \$0.68 for debt service and \$0.23 for operations and maintenance. Ms. Miller next presented to the Board an Amendment to Information Form reflecting the 2019 tax rate. After review and discussion, Director Lajoie moved to adopt the Order Levying Taxes as presented, approve and authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed unanimously. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending September 30, 2020.

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 Lajoie moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Bridges 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 \$36,108.72 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 Lajoie moved to approve payment of \$36,108.72 to Simmons Bank. Director Bridges seconded the motion, which passed by unanimous vote.

ADOPT BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020

Ms. Austin reviewed a proposed budget for the fiscal year ending September 30, 2020, a copy of which is included in the bookkeeper's report. The Board requested the bookkeeper make the following changes to the District's proposed budget: (1) remove the expense line item for Water Plant No. 2 engineering fees in the amount of \$65,000.00; and (2) remove the expense line item for County Agreements legal fees in the amount of \$15,000.00. Following review and discussion, Director Lajoie moved to adopt the budget for the fiscal year ending September 30, 2020, as revised. Director Bridges seconded the motion, which passed by unanimous vote.

RESOLUTION EXPRESSING INTENT TO REIMBURSE

Ms. Miller stated that the District will in the future fund from the operating account a portion of the cost to construct the permanent wastewater treatment plant. She stated that the operating account will be reimbursed for these costs from future bond proceeds. Ms. Miller reviewed a Resolution Expressing Intent to Reimburse reflecting the District will reimburse the operating account with future bond proceeds for the permanent wastewater treatment plant. Following review and discussion, Director Lajoie moved to adopt a Resolution Expressing Intent to Reimburse and direct that the Resolution be filed appropriately and retained in the District's official records. Director Slatton 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 92.3% and reported on maintenance performed at the District's facilities.

Mr. Browne reported on a permit excursion at the wastewater treatment plant ("WWTP") during the month of July 2019.

Discussion ensued regarding the rain barrel giveaway contest to promote water conservation. Following discussion, the Board requested that MDS include an insert in the October water bill regarding the contest.

After review and discussion, Director Slatton moved to approve the operator's report. Director Bridges 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 Bridges seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING SERVICE MATTERS AND ADOPT AMENDED RATE ORDER

Ms. Leighton discussed garbage and recycling matters with the Board.

NFBWA MATTERS

Ms. Miller updated the Board on NFBWA matters and discussed the District's participation in the Larry's Toolbox Water Conservation Program.

Discussion ensued regarding the District's event (the "Event") scheduled for September 28, 2019, to provide District residents with information on water conservation and native plants.

DEVELOPMENT IN THE DISTRICT

Ms. Miller reviewed a Development Financing Agreement between the District and Cathexis Legacy Holdings, LLC. Following review and discussion, Director Lajoie moved to approve the Development Financing Agreement and direct that the agreement be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed by unanimous vote.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019

Mr. Eyring presented and reviewed with the Board an engagement letter to perform the District's audit for the fiscal years ending September 30, 2019, and September 30, 2020. Following review and discussion, Director Lajoie moved to (1) engage Mark C. Eyring, CPA, PLLC, to perform the audits for the District's fiscal years ending September 30, 2019, and September 30, 2020; and (2) authorize execution of the engagement letter and direct that the engagement letter be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which carried unanimously.

ENGINEERING MATTERS

Ms. 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. Williams gave an update on construction of the Park Westheimer Boulevard extension and drainage improvements.

PERMANENT WWTP AND LIFT STATION

Ms. Williams gave an update on construction of the permanent WWTP and the lift station at the permanent WWTP.

OFFSITE UTILITIES TO SERVE PERMANENT WWTP

Ms. Williams gave an update on construction of the offsite utilities to serve the permanent WWTP. She stated a Notice to Proceed will be issued once the District acquires the necessary easement for the project.

WATER PLANT NO. 2

Ms. Williams gave an update on construction of Water Plant No. 2 and recommended the Board approve Pay Estimate No. 4 in the amount of \$217,494.00 to Nunn Constructors, Ltd. ("Nunn").

DETENTION FACILITIES TO SERVE DISTRICT EAST

Ms. Williams reported on construction of the detention facilities to serve District East. She reported construction is complete and that R.G. Miller is working with R&T Ellis Excavation, Inc., to address punch-list items.

STORM WATER PERMITTING MATTERS

Ms. Miller reported that the Texas Commission on Environmental Quality issued Permit No. TXR040000 has been amended and, therefore, the District is required to update its Storm Water Management Program ("SWMP"). Ms. Miller reviewed the proposed updated Stormwater Quality Rules and Resolution Adopting Stormwater Quality Rules.

BOND APPLICATION NO. 9

Ms. Williams gave an update on bond application no. 9.

After review and discussion, Director Lajoie moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$217,494.00 to Nunn for construction of Water Plant No. 2, based on the engineer's recommendation; and (3) adopt the Resolution Adopting Stormwater Quality Rules and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bridges 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 on nutria located at the southwest corner of Lost Creek Detention Pond B. Following discussion, the Board authorized Champions to remove the nutria.

Discussion ensued regarding the 30-foot pipeline easement located adjacent to 7418 Barton Lake Court. Following discussion, the Board requested that Champions continue to maintain the property.

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

Following discussion, the Board requested that Director Lajoie post a notice regarding the rain barrel giveaway contest and a map to the upcoming Event to the District's website.

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 to be created by Fort Bend County.

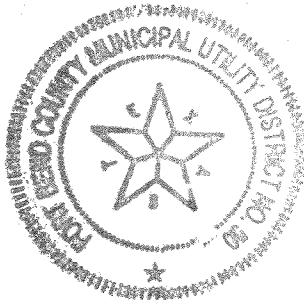
DEVELOPMENT IN THE DISTRICT (CONTINUED)

Mr. Ferguson gave an update on development in the District.

In response to an inquiry by Mr. Sadiq, Ms. Williams and Ms. Miller gave an update on annexation of a 1.22-acre tract of land into the District for a proposed squash facility.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax Assessor/Collector's report.....	2
Bookkeeper's report.....	2
Operator's report	3
Engineer's report.....	5
Report from Champions	6