

MINUTES

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

March 10, 2020

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 March, 2020, 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; Esther Flores of Tax Tech, Inc. ("Tax Tech"); Justin Wagner 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"); Julie Gerdes of Rathmann and Associates, L.P. ("Rathmann"); Constable Wayne K. Thompson of Fort Bend County Constable Precinct 3; 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 February 11, 2020. After review and discussion, Director Lajoie moved to approve the minutes of the regular meeting held February 11, 2020, 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 96.19% of the 2019 tax levy had been collected as of

February 29, 2020. 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.

DISCUSS IMPLEMENTATION OF LAW ENFORCEMENT SERVICES IN THE DISTRICT

Constable Thompson introduced himself to the Board and discussed law enforcement services available to the District from Fort Bend County Constable Precinct 3 (the "Constable"). Discussion ensued regarding possible implementation of law enforcement services in the District from the Constable. Following discussion, the Board concurred to further discuss law enforcement services in the District from the Constable next month.

APPROVE PAYMENT TO SIMMONS BANK PURSUANT TO SETTLEMENT AGREEMENT

Ms. Austin stated that she has prepared a check in the amount of \$35,716.24 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 Bridges moved to approve payment of \$35,716.24 to Simmons Bank. Director Slatton seconded the motion, which passed by unanimous vote.

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 Slatton seconded the motion, which passed by unanimous vote.

AUTHORIZE PREPARATION OF PROJECT AUDIT FOR ECONOMIC DEVELOPMENT GRANT PAYMENT TO MRPL RETAIL PARTNERS, LTD., AND MRPL RETAIL PARTNERS II, LTD., BY AUDITOR

Ms. Miller stated that the Board previously engaged Mark C. Eyring, CPA, PLLC, to conduct the annual supplemental project audit for the annual Economic Development Grant payment to MRPL Retail Partners, Ltd., and MRPL Retail Partners II, Ltd. After review and discussion, Director Slatton moved to authorize Mark C. Eyring, CPA, PLLC, to proceed with conducting the supplemental project audit for the annual Economic Development Grant payment. Director Lajoie seconded the motion, which passed by unanimous vote.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2014 REFUNDING BONDS

Ms. Miller stated that OmniCap Group LLC has completed the Interim Excess Earnings Report on the Series 2014 Refunding Bonds (the "Report"). She added the Report reflects that no yield reduction payment is due to the Internal Revenue Service.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Ms. Miller reviewed the District's annual report containing the District's most recent Official Statement and audit to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file the annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"). Following review and discussion, Director Lajoie moved to approve the annual report, authorize the attorney to submit the District's annual report in compliance with the continuing disclosure provisions contained in the bond resolutions through EMMA, and direct that the report be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the district's procedures for continuing disclosure compliance. Ms. Miller stated that no changes are required at this time.

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 98% and reported on maintenance performed at the District's facilities.

Ms. Browne presented a brochure on sanitary sewer overflow reporting in connection with the District's Storm Water Management Plan, a copy of which is attached to the operator's report, and requested approval from the Board to insert the brochure in the water bill.

Mr. Browne stated that MDS provides an annual written report evaluating the effectiveness of the District's Identity Theft Prevention Program (the "Program"), identifying significant instances of identity theft detection, and describing any recommendations regarding changes to the Program. He presented a report on the District's Program. Mr. Browne stated that the report indicates no significant incidents of identity theft detection and MDS recommends no changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment.

Mr. Browne reported that booster pump motor no. 1 at the water plant is in need of repair. He stated the cost to repair the motor is \$4,480.00 and the cost to replace the motor is \$4,460.00.

After review and discussion, Director Bridges moved to (1) approve the operator's report; (2) authorize MDS to include the brochure in connection with the District's Storm Water Management Plan in the water bill; (3) authorize MDS to turn over two accounts in the total amount of \$225.22, deemed to be uncollectible, to a collection agency; (4) approve the Program report and direct that the report be filed appropriately and retained in the District's official records; and (5) authorize MDS to replace booster pump motor no. 1 at the water plant at a cost of \$4,460.00. 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 Bridges 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.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO NORTH FORT BEND WATER AUTHORITY ("NFBWA")

Ms. Miller discussed the annual report on implementation of the District's Water Conservation Plan with the Board. She added that MDS will file the report with the NFBWA. After review and discussion, Director Bridges moved to approve the annual report on implementation of the Water Conservation Plan, authorize MDS to file the report with the NFBWA, and direct that the report be filed appropriately and retained in the District's official records. Director Lajoie seconded the motion, which passed by unanimous vote.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board reviewed the District's current Drought Contingency Plan ("Plan"). The Board concurred that no changes were necessary to the current Plan and took no further action.

GARBAGE AND RECYCLING SERVICE MATTERS

There was no discussion on garbage and recycling matters.

NFBWA MATTERS

Ms. Miller updated the Board on NFBWA matters.

DEVELOPMENT IN THE DISTRICT

The Board discussed development in the District.

ENGINEERING MATTERS

Mr. Wagner 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

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

PERMANENT WASTEWATER TREATMENT PLANT ("WWTP") AND LIFT STATION, INCLUDING OFFSITE UTILITIES TO SERVE PERMANENT WWTP

Mr. Wagner gave an update on construction of the permanent WWTP and lift station, including the offsite utilities to serve the permanent WWTP. He recommended approval of Pay Estimate No. 4 in the amount of \$1,352,393.84 to C4 Partners, LLC.

WASTEWATER TREATMENT PLANT DETENTION POND IMPROVEMENTS

Mr. Wagner gave an update on design of the WWTP detention pond improvements. He requested the Board's authorization to prepare plans and specifications for the project.

WATER PLANT NO. 2

Mr. Wagner gave an update on construction of Water Plant No. 2 and stated construction is 55% complete.

WATER, SEWER AND DRAINAGE FACILITIES AND PAVING TO SERVE GRAND TRAILS, SECTION 1

Mr. Wagner gave an update on the water, sewer, and drainage facilities and paving to serve Grand Trails, Section 1. He requested the Board's authorization to prepare plans and specifications for the project. Mr. Wagner then requested approval of the plans and specifications for the water, sewer, and drainage facilities and paving to serve Grand Trails, Section 1 and authorization to advertise for bids for the project.

SUB-REGIONAL DETENTION PHASE II

Mr. Wagner gave an update on the sub-regional detention phase II project. He requested the Board's authorization to prepare plans and specifications for the project. Mr. Wagner then requested approval of the plans and specifications for the sub-regional detention phase II project and authorization to advertise for bids for the project.

DETENTION FACILITIES TO SERVE DISTRICT EAST

Mr. Wagner reported on construction of the detention facilities to serve District East. He noted to satisfy legal requirements, Jones & Carter, Inc., indicated they will solicit additional proposals to address project deficiencies.

DEEDS, EASEMENTS, APPRAISALS, CONSENTS TO ENCROACHMENT, ENCROACHMENT AGREEMENTS, ASSIGNMENTS OF CAPACITY, REQUESTS FOR SERVICE UTILITY CONVEYANCES, OUT-OF-DISTRICT SERVICE AGREEMENTS, AND UTILITY COMMITMENT LETTERS

Ms. Miller stated on January 8, 2019, the Board approved a Supplemental Utility Commitment Letter with DD Cinco IV, LLC ("DD Cinco") related to an apartment development located on a tract north of FM 1093. She reported that the District received a request from DD Cinco for 3 additional equivalent single-family connections ("ESFC") of sanitary sewer and water service for the apartment development.

Ms. Miller reported Property Acquisition Services, LLC ("PAS") has contacted the District on behalf of Fort Bend County (the "County") regarding the acquisition of a land needed for the County's future Beechnut Boulevard expansion project. She indicated that the County has made an initial offer in the

amount of \$1,264.00 to acquire the property. She reviewed the offer letter from PAS, a copy of which is attached, and related appraisal report. Mr. Wagner noted R.G. Miller has no issue with the proposed location of the right of way.

Ms. Miller stated on November 11, 2019, the Board approved a utility commitment letter with GLS Company for the remaining lot in Westpark Lakes to be divided. She reported GLS Company requested a 90-day extension from the District for approval of re-platting of the lot by the County.

STORM WATER PERMITTING MATTERS

Mr. Wagner presented the District's Annual Report for the Phase II MS4 Storm Water Management Plan pursuant to the General Permit TXR040000.

BOND APPLICATION NO. 9

Mr. Wagner indicated that bond application no. 9 is under review by the Texas Commission on Environmental Quality ("TCEQ"). He reported that the TCEQ approved the release of \$430,000.00 of Series 2011 bond proceeds from escrow for costs related to the construction of the WWTP.

After review and discussion, based on the engineer's recommendation, Director Slatton moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$1,352,393.84 to C4 Partners, LLC for construction of the permanent WWTP and lift station, including the offsite utilities to serve the permanent WWTP; (3) authorize R.G. Miller to prepare plans and specifications for the WWTP detention pond improvements; (4) authorize R.G. Miller to prepare plans and specifications, approve the plans and specifications, and authorize advertisement for bids for the water, sewer, and drainage facilities and paving to serve Grand Trails, Section 1; (5) authorize R.G. Miller to prepare plans and specifications, approve the plans and specifications, and authorize advertisement for bids for the sub-regional detention phase II project; (6) approve the Annual Report for the Phase II MS4 Storm Water Management Plan, subject to review by ABHR, authorize the District's engineer to file the Annual Report with the TCEQ, and direct that the Annual Report be filed appropriately and retained in the District's official records; (7) grant the request from DD Cinco for an additional 3 ESFC of sanitary sewer and water service for the apartment development located on a tract north of FM 1093; (8) direct ABHR to notify PAS that the District accepts the County's offer in the amount of \$1,264.00 to acquire land from the District needed for the County's future Beechnut Boulevard expansion project; and (9) grant GLS Company a 90-day extension for approval of re-platting of the lot by the County. Director Lajoie seconded the motion, which passed by unanimous vote.

SERIES 2020 UNLIMITED TAX REFUNDING BONDS (“SERIES 2020 REFUNDING BONDS”)

Ms. Gerdes distributed and reviewed information on the Series 2020 Refunding Bonds, a copy of which is attached. She stated that pursuant to the Municipal Securities Rulemaking Board requirements, Rathmann, as financial advisor to the District, has provided written disclosures to the Board of Directors related to the Series 2020 Refunding Bonds. The Board of Directors directed that the written disclosures be filed appropriately and retained in the District’s official records.

AUTHORIZE PURCHASE OF INSURANCE AND APPLICATION FOR RATING

The Board considered authorizing the purchase of insurance and application for rating for the Series 2020 Refunding Bonds. After review and discussion, Director Lajoie moved to authorize purchase of insurance and application for rating for the Series 2020 Refunding Bonds. Director Slatton seconded the motion, which passed by unanimous vote.

ENGAGE RATING COMPANY TO PERFORM CREDIT RATING ANALYSIS FOR SERIES 2020 REFUNDING BONDS

Ms. Gerdes discussed engaging a rating agency to perform a credit rating analysis for the Series 2020 Refunding Bonds. Following discussion, the Board concurred to engage Moody’s Investors Service to perform a credit rating analysis for the Series 2020 Refunding Bonds.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUE AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

Following discussion, Director Lajoie moved to authorize the tax assessor/collector to request a Certificate of Assessed Value from the Fort Bend County Appraisal District. Director Slatton seconded the motion, which passed by unanimous vote.

PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT’S SERIES 2020 REFUNDING BONDS

Ms. Gerdes reviewed the Preliminary Official Statement for the District’s Series 2020 Refunding Bonds. After review and discussion, Director Lajoie moved to approve the Preliminary Official Statement. Director Slatton seconded the motion, which passed by unanimous vote.

DESIGNATE UNDERWRITER

Ms. Gerdes recommended that the Board designate RBC Capital Markets, LLC ("RBC") and SAMCO Capital Markets, Inc. ("SAMCO") as the underwriters for the Series 2020 Refunding Bonds. Following discussion, Director Lajoie moved to designate RBC and SAMCO as underwriters for the Series 2020 Refunding Bonds. Director Slatton seconded the motion, which passed by unanimous vote.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board considered appointing a paying agent/registrar and escrow agent for the Series 2020 Refunding Bonds. Following review and discussion, Director Lajoie moved to appoint The Bank of New York Mellon Trust Company, N.A., as the District's paying agent/registrar and escrow agent for the Series 2020 Refunding Bonds. Director Slatton seconded the motion, which passed by unanimous vote.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE SERIES 2020 REFUNDING BONDS AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

Ms. Miller reviewed a Resolution Authorizing the Issuance of the Series 2020 Refunding Bonds. The Board discussed delegating authority to Director Lewis, with Director Bridges as an alternate, to coordinate with Rathmann on the sale of the Series 2020 Refunding Bonds.

The Board discussed parameters for the sale of the Series 2020 Refunding Bonds and, based upon Ms. Gerdes's recommendations, considered setting a net present value savings of at least 5% and the maximum principal amount of the Series 2020 Refunding Bonds at \$7,000,000.

Following review and discussion, Director Lajoie moved to (1) adopt the Resolution Authorizing the Issuance of the Series 2020 Refunding Bonds and direct that the Resolution be filed appropriately and retained in the District's official records; (2) delegate authority to Director Lewis and, as an alternate, Director Bridges, to work with Rathmann as the District's Authorized Representative to effect the sale of the Series 2020 Refunding Bonds and authorize his execution of any necessary documents related to the Series 2020 Refunding Bonds; and (3) authorize the financial advisor to proceed with the sale of the Series 2020 Refunding Bonds contingent upon a net present value savings of at least 5% and a maximum principal amount of \$7,000,000. Director Slatton seconded the motion, which was approved by unanimous vote.

AUTHORIZE THE DISTRICT'S ATTORNEY AND THE FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S SERIES 2020 REFUNDING BONDS

The Board next considered authorizing ABHR and Rathmann to take all necessary action in connection with the issuance of the Refunding Bonds and to deliver the Series 2020 Refunding Bonds to the purchaser. After discussion, Director Lajoie moved to authorize ABHR and Rathmann to take all necessary action in connection with the issuance of the Series 2020 Refunding Bonds to deliver the Series 2020 Refunding Bonds to the purchaser. Director Slatton seconded the motion, which carried by unanimous vote.

CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Miller presented a Certificate Regarding Provision of Financial Advice related to the Series 2020 Refunding Bonds. After review and discussion, Director Lajoie moved to approve the Certificate Regarding Provision of Financial Advice related to the Series 2020 Refunding Bonds and direct that the Certificate be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed by unanimous vote.

CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving a check to the Attorney General for review of the transcript for the Series 2020 Refunding Bonds. After discussion, Director Lajoie moved to authorize execution of a check to the Attorney General for bond transcript review. Director Slatton 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.

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, INCLUDING AMENDMENT TO WEBSITE POSTING POLICY

The Board discussed the content of the District's website. Ms. Miller reviewed a Resolution Adopting Amended Website Posting Policy with the Board. Following review and discussion, Director Bridges moved to adopt the Resolution Adopting Amended Website Posting Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed unanimously.

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

Ms. Miller gave an update on the Economic Development Agreement (the "Agreement") between the District, Parkway Lakes Development, Inc., and the Authority and stated that the Agreement has been fully-executed by all parties.

2020 DIRECTORS ELECTION

Ms. Miller discussed procedures related to the 2020 Directors Election. She presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received two candidate applications for the two director positions for the May 2, 2020, Directors Election. Following review and discussion, Director Bridges moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed unanimously.

Ms. Miller presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling") stating that the May 2, 2020, Directors Election is cancelled and that the unopposed candidates, Craig Lewis and Peter Lajoie, are declared elected to office to serve from the May 5, 2020, election until the May 4, 2024, Directors Election. She reviewed the posting requirements for the Order Cancelling. Following review and discussion, Director Bridges moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office, authorize the Secretary's agent to post the Order Cancelling, as required, and direct that the Order Cancelling be filed appropriately and retained in the District's official records. Director Slatton seconded the motion, which passed unanimously.

Ms. Miller discussed that the Board had approved entering into a contract with the County to administer the District's 2020 Directors Election. After discussion, Director Bridges moved to cancel the contract with the County for election services for

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