

MINUTES

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

August 11, 2020

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 50 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 11th day of August, 2020, and the roll was called of the members of the Board being present by telephone:

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

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

Also attending the teleconference were District residents Mukund Kishore and Shefali Mukund; Muhammad Sadiq, a member of the public; Esther Flores of Tax Tech, Inc. ("Tax Tech"); Jordan Williams of R.G. Miller Engineers, Inc.; 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.; Greg Clutter of Meritage Homes; and Christina Miller and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Miller reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/fbcmud50.

PUBLIC COMMENT

Ms. Miller reported that Director Bridges submitted a photograph of trash that was dumped at a development site in the District along Peek Road and stated that District consultants are coordinating to remedy the issue. She also stated that the District received written correspondence related to tax collection, which will be discussed under the agenda item for tax assessment and collections matters.

Ms. Miller then offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, the Board moved to the next agenda item.

OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS, IF NECESSARY

Mr. Browne confirmed that there were no adverse District service impacts resulting from the COVID-19 epidemic.

MINUTES

The Board reviewed the minutes of the regular meeting held July 14, 2020. After review and discussion, Director Lewis moved to approve the minutes of the regular meeting held July 14, 2020, as submitted. Director Lajoie seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Flores reviewed the tax assessor/collector's report, a copy of which is attached. She reported that 99.42% of the 2019 tax levy had been collected as of July 31, 2020. After review and discussion, Director Lewis moved to approve the tax assessor/collector's report and payment of the bills listed in the report. Director Stubblefield seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Mr. Kishore and Ms. Mukund addressed the Board. They reviewed correspondence, a copy of which is attached, requesting that the Board waive the 2019 tax penalty and interest fees assessed by the District for their property located at 23127 North Waterlake Drive. Mr. Kishore stated that they did not receive the tax statement timely, because the post office failed to forward it, resulting in late payment of their tax bill. Ms. Miller discussed the limited circumstances under the Texas Property Tax Code which would allow the Board to waive penalty and interest fees if a mistake was made by the District or its agent. Discussion ensued. Following discussion, Director Lewis moved to authorize Tax Tech to impose the 2019 District tax penalty and interest fees because the District or its agent timely mailed the tax statement to the address for the property located at 23127 North Waterlake Drive that was on file with the Fort Bend Central Appraisal District. Director Lajoie seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2020 tax rate. Ms. Miller discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Miller reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. She stated that the legislation allows a "developed" district to use alternate notice and calculation procedures following a declared disaster.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2020 tax year. Following review and discussion, Director Lewis moved to adopt a Resolution Regarding Development Status for 2020 Tax Year establishing the District as a Developing District for the 2020 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed unanimously.

Ms. Gerdes reviewed a 2020 tax rate recommendation letter and analysis with the Board, copies of which are attached. She recommended a debt service tax rate of \$0.68 per \$100 of assessed valuation. The Board discussed a proposed maintenance tax rate of \$0.23 per \$100 of assessed valuation. Following review and discussion, Director Lewis moved to set the public hearing for adoption of the tax rate for September 8, 2020, and authorize the tax assessor/collector to publish notice in the Fort Bend Herald of the public hearing on September 8, 2020, to set the proposed 2020 total tax rate of \$0.91 per \$100 of assessed valuation, with \$0.68 allocated for debt service on water, sewer, and drainage bonds, and \$0.23 allocated for operations and maintenance. Director Lajoie 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 Lewis moved to approve the bookkeeper's report, investment report, and payment of the bills listed in the report. Director Stubblefield seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021

Ms. Austin reviewed a proposed budget for the fiscal year ending September 30, 2021, and requested that the Board and consultants submit comments on the budget prior to the next meeting.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2015 REFUNDING BONDS

Ms. Miller stated that OmniCap Group LLC has completed the Interim Excess Earnings Report on the Series 2015 Refunding Bonds (the "Report"). She added the Report reflects that no yield reduction payment is due to the Internal Revenue Service.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE AND AUTHORIZE ATTENDANCE AT THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the AWBD summer conference. Discussion ensued regarding smart water meters. The Board requested that MDS provide a recommendation and cost breakdown associated with installing smart meters in the District for review and discussion next month.

After discussion, Director Bridges moved to authorize all interested directors to attend the AWBD winter conference. Director Lajoie seconded the motion, which carried 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 93.8% and reported on maintenance performed at the District's facilities.

Mr. Browne reviewed the annual fire hydrant inspections report and requested that the Board authorize fire hydrant repairs at a cost of \$10,079.75, reflector replacement at a cost of \$560.82, and water-blasting and painting of the hydrants at a cost of \$12,702.90.

Mr. Browne reported that the booster pump no. 2 motor is in need of repair. He stated that the cost to repair the motor is \$2,850.00 and the replacement cost of the motor is \$3,234.00.

After review and discussion, Director Lajoie moved to (1) approve the operator's report; (2) authorize fire hydrant repairs at a cost of \$10,079.75, reflector replacement at a cost of \$560.82, and water-blasting and painting the hydrants at a cost of \$12,702.90; and (3) authorize MDS to replace the booster pump no. 2 motor at a cost of \$3,234.00.

Director Bridges seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting “yea.”

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

The Board discussed whether to continue suspension of termination of water and sewer service, late fees, and penalties, to delinquent customers due to the COVID-19 public health emergency. Following discussion, Director Lajoie moved to (1) continue suspension of termination of water and sewer service to delinquent customers and waive late fees and penalties for the current billing cycle; (2) authorize MDS to set up payment plans with District customers on an as-needed basis until further notice; (3) recommence application of late fees and penalties beginning September 2, 2020 and resume service terminations beginning with the October, 2020 billing cycle; and (4) authorize MDS to include an insert in the water bills notifying the District residents that service terminations, late fees, and penalties will resume, as discussed. The motion was seconded by Director Bridges. A roll call of the Board was taken and the motion passed unanimously, with all directors voting “yea.”

GARBAGE AND RECYCLING SERVICE MATTERS

There was no discussion on this matter.

APPROVE INTERLOCAL AGREEMENT WITH THE FORT BEND SUBSIDENCE DISTRICT (“FBSD”) FOR THE WATER WISE PROGRAM

Ms. Miller reviewed an Interlocal Agreement between the District and the FBSD for participation in the Water Wise program and noted that the agreement provides for sponsorship of certain students at Hubenak Elementary for the 2020-2021 school year. Following review and discussion, Director Lewis moved to approve and authorize execution of the Interlocal Agreement between the District and the FBSD for the Water Wise program, and direct that the Agreement be filed appropriately and retained in the District’s official records. Director Bridges seconded the motion, which passed unanimously.

NORTH FORT BEND WATER AUTHORITY (“NFBWA”) MATTERS

Ms. Miller updated the Board on NFBWA matters.

DEVELOPMENT IN THE DISTRICT

Discussion ensued regarding development in the District.

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 and stated construction is complete. She recommended the Board approve Pay Estimate No. 4 in the amount of \$1,968.40 to Clearwater Utilities, Inc. ("Clearwater").

PERMANENT WASTEWATER TREATMENT PLANT ("WWTP") AND LIFT STATION

Ms. Williams gave an update on construction of the permanent WWTP and lift station and stated construction is 45% complete. She recommended approval of Pay Estimate No. 9 in the amount of \$1,489,676.88 to C4 Partners, LLC ("C4 Partners").

WATER PLANT NO. 2

Ms. Williams gave an update on construction of Water Plant No. 2 and stated construction is 80% complete. She recommended the Board approve Pay Estimate No. 13 in the amount of \$93,110.31 to Nunn Constructors, Ltd. ("Nunn").

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

Ms. Williams gave an update on construction of the water, sewer, and drainage facilities to serve Grand Trails, Section 1. She requested approval of the plans and specifications for the paving to serve Grand Trails, Section 1 and authorization to advertise for bids for the project.

SUB-REGIONAL DETENTION PHASE II

Ms. Williams gave an update on construction of the sub-regional detention phase II project and stated a Notice to Proceed was issued for August 3, 2020.

DETENTION FACILITIES TO SERVE DISTRICT EAST

Ms. Williams reported on construction of the detention facilities to serve District East and stated construction is 95% complete.

DRAINAGE STUDY

Ms. Williams reported on the required updates to the District's drainage study based on the Atlas 14 rainfall study.

FORT BEND COUNTY SOUND WALL INSTALLATION PROJECT

Ms. Williams stated that discussion with the Fort Bend County Toll Road Authority is ongoing regarding the proposed sound wall along the proposed TX-99 frontage road from Long Meadow Farms to Bellaire Boulevard.

After review and discussion, based on the engineer's recommendation, Director Lewis moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$1,968.40 to Clearwater for construction of the Park Westheimer Boulevard extension and drainage improvements, based on the engineer's recommendation; (3) approve Pay Estimate No. 9 in the amount of \$1,489,676.88 to C4 Partners for construction of the permanent WWTP and lift station, based on the engineer's recommendation; (4) approve Pay Estimate No. 13 in the amount of \$93,110.31 to Nunn for construction of Water Plant No. 2, based on the engineer's recommendation; and (5) approve the plans and specifications, and authorize advertisement for bids for the paving to serve Grand Trails, Section 1. Director Lajoie seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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. Following review and discussion, Director Stubblefield moved to accept the report from Champions. Director Lajoie seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Miller stated that the Service Agreement between the District and Champions automatically renews in October, 2020, unless action is taken by the Board. The Board concurred no action on the Service Agreement is necessary.

Ms. Miller stated that the District received notification that a resident has installed ramps to allow water fowl access in and out of the Westpark Lake north

detention pond. Following discussion, the Board requested that ABHR send a letter to the District resident requesting the resident remove the ramps installed on District 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

There was no discussion on District website matters.

OPERATION OF DISTRICT FACILITIES (CONTINUED)

Discussion ensued regarding damage to an irrigation line and a monument located at the intersection of Bellaire Boulevard and North Park Drive caused by a contractor. Following discussion, Director Bridges stated he will direct the homeowner's association to submit the repair costs to the contractor for payment.

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

/s/ Peter Lajoie
Secretary, Board of Directors



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