

MINUTES

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

November 10, 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 10th day of November, 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 Josh Penton of Meritage Homes; Robert Ferguson of 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 of Champions Hydro-Lawn, Inc. ("Champions"); 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 COMMENTS

Ms. Miller 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 October 13, 2020. After review and discussion, Director Lewis moved to approve the minutes of the regular meeting held October 13, 2020, as submitted. Director Bridges seconded the motion, which passed by unanimous vote, 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.

The Board discussed adding a notice (the "Notice") to the water bill to notify customers that they can contact Tax Tech if they do not receive a tax statement and to send tax payments to Tax Tech.

After review and discussion, Director Lewis moved to (1) approve the tax assessor/collector's report and payment of the bills listed in the report; and (2) authorize MDS to include the Notice on the water bills. Director Bridges seconded the motion, which passed by unanimous vote, with all directors voting "yea."

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. She noted that check no. 1254 in the amount of \$ 22,587.50 to the Texas Commission on Environmental Quality ("TCEQ") will be voided. 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 Lajoie seconded the motion, which passed by unanimous vote, with all directors voting "yea."

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy. Ms. Miller reviewed a Resolution Regarding Annual Review of Investment Policy with the Board. The Board concurred that no changes were necessary to the current policy. Following review and discussion, Director Lewis moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that no changes were made

to the policy 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, with all directors voting "yea."

ADOPT RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Miller reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She stated that the District's bookkeeper has provided the District with an updated list of qualified broker/dealers with whom the District may engage in investment transactions. Following review and discussion, Director Lewis moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, 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, with all directors voting "yea."

UNLIMITED TAX BONDS, SERIES 2020A ("SERIES 2020A BONDS")

Ms. Miller reported that the Series 2020A Bonds are scheduled to close on November 12, 2020. Ms. Miller noted that a portion of the Series 2020A Bond proceeds will be used to pay the entirety of the outstanding principal balance and interest of the amounts due to Simmons Bank for the property utilized for the regional detention basin pursuant to the Settlement Agreement between the District and SDB Real Estate, LLC (predecessor in interest to Simmons Bank) and stated that she has requested the loan pay-off amount including interest as of November 13, 2020. Following discussion, Director Bridges moved to authorize disbursement of Series 2020A Bond proceeds, including payment of the final amounts due and owing to Simmons Bank pursuant to the Settlement Agreement, following closing and receipt of funds by the District on November 12, 2020. Director Lajoie seconded the motion, which passed by unanimous vote, with all directors voting "yea."

REVIEW FINAL ARBITRAGE REBATE REPORTS FOR SERIES 2011 AND SERIES 2011A BONDS

Ms. Miller stated that OmniCap Group LLC has completed the Final Excess Earnings Reports on the Series 2011 and 2011A Bonds (the "Reports"). She added the Reports reflects that no yield reduction payment is due to the Internal Revenue Service. After review and discussion, Director Stubblefield moved to accept the Reports and direct that the Reports be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed by unanimous vote, with all directors voting "yea."

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 93.4% and reported on maintenance performed at the District's facilities.

Mr. Browne reported that the wooden perimeter fence at Lift Station No. 1 needs to be replaced, and he reviewed proposals for a wooden replacement fence, copies of which are attached to the operator's report. Following review and discussion, the Board requested that Mr. Browne coordinate with R.G. Miller regarding options to be presented to the Board to replace the wooden fence at Lift Station No. 1 with a precast fence to match the fence to be installed at Water Plant No. 2.

Mr. Browne requested approval from the Board of costs associated with trimming trees in the District, including delivery and two-months of rental fees for a trash dumpster, in an amount not to exceed \$1,500.00.

In response to an inquiry by Director Lewis, Mr. Browne discussed the contamination of the Lake Jackson water supply with *Naegleria Fowleri* and noted that Lake Jackson uses a different water source than the District.

After review and discussion, Director Bridges moved to (1) approve the operator's report; and (2) approve costs associated with trimming trees in the District in an amount not to exceed \$1,500.00. Director Stubblefield seconded the motion, which passed by unanimous vote, with all directors voting "yea."

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 Stubblefield seconded the motion, which passed by unanimous vote, with all directors voting "yea."

GARBAGE AND RECYCLING SERVICE MATTERS

The Board discussed garbage and recycling service matters.

NORTH FORT BEND WATER AUTHORITY (“NFBWA”) MATTERS

Ms. Miller updated the Board on NFBWA matters and discussed the District’s participation in the Larry’s Toolbox Water Conservation Program (the “Program”). The Board reviewed the 2021 Program Guide and a Program Summary. Ms. Miller stated the District must submit an enrollment form to the NFBWA by December 31, 2020, to participate in the 2021 Program. Following discussion, the Board concurred to defer enrollment in the 2021 Program to next month.

Discussion ensued regarding the rain barrel giveaway contest to promote water conservation. Following discussion, Director Lajoie moved to (1) authorize MDS to order six rain barrels to give away to residents this year; and (2) authorize Director Lajoie to post a message regarding the contest on the District’s website. Director Bridges seconded the motion, which passed by unanimous vote, with all directors voting “yea.”

DEVELOPMENT IN THE DISTRICT

Mr. Ferguson gave an update on 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. 5 in the amount of \$10,514.27 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 80% complete. She recommended approval of Pay Estimate No. 12 in the amount of \$637,798.79 to C4 Partners, LLC (“C4 Partners”).

Discussion ensued regarding declaring the portion of the interim WWTP owned by the District as surplus and making it available for sale after the interim WWTP is no longer in use by the District.

WATER PLANT NO. 2

Ms. Williams gave an update on construction of Water Plant No. 2 and stated construction is 88% complete. She recommended the Board approve Pay Estimate No. 16 in the amount of \$82,001.25 to Nunn Constructors, Ltd. ("Nunn"). Ms. Williams also gave a report regarding recent vandalism at the Water Plant No. 2 site.

WATER, SEWER AND DRAINAGE FACILITIES 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 and stated she anticipates that construction will commence this week.

PAVING TO SERVE GRAND TRAILS, SECTION 1

Ms. Williams gave an update on construction of the paving to serve Grand Trails, Section 1.

SUB-REGIONAL DETENTION PHASE II

Ms. Williams gave an update on construction of the sub-regional detention phase II project and stated construction is 95% complete. She recommended the Board approve Pay Estimate No. 3 in the amount of \$63,700.65 to C.E. Barker, Ltd.

DETENTION FACILITIES TO SERVE DISTRICT EAST

Ms. Williams reported on construction of the detention facilities to serve District East and stated construction is complete. She stated Jones & Carter, Inc., recommends that the Board approve Pay Estimate No. 6 and Final in the amount of \$49,674.92 to R&T Ellis Excavation, Inc. ("R&T Ellis"), and acceptance of the project.

DRAINAGE STUDY

Ms. Williams discussed the required updates to the District's drainage study based on the Atlas 14 rainfall study and Fort Bend County's new drainage criteria, effective January 1, 2020, and stated that the District's updated drainage study has received agency approval. Ms. Williams then discussed the necessary District drainage improvements based on the District's updated drainage study and requested the Board's authorization to prepare plans and specifications for the necessary drainage improvements.

EFFLUENT REUSE MATTERS, INCLUDING CRESTWATER HOMEOWNERS ASSOCIATION ("CHA") EFFLUENT REUSE PROJECT

Ms. Miller reported that the Water Supply Agreement between the District and the CHA terminates on December 31, 2020, if a final and nonappealable permit has not been issued by the TCEQ. She noted that while the TCEQ has not yet issued a final and nonappealable permit, they have issued a draft permit to the CHA. She added that the CHA has requested an amendment to the agreement to extend the deadline to provide adequate time for final permit issuance. Following discussion, the Board requested that ABHR present an amendment to the Water Supply Agreement for Board consideration next month.

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

Ms. Miller presented a Utility Commitment Letter for 4 equivalent single-family sanitary sewer and water connections for a proposed gas station at the southwest corner of Peek Road and Bellaire Boulevard.

After review and discussion, based on the engineer's recommendation, Director Lajoie moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 5 in the amount of \$10,514.27 to Clearwater for construction of the Park Westheimer Boulevard extension and drainage improvements; (3) approve Pay Estimate No. 12 in the amount of \$637,798.79 to C4 Partners for construction of the permanent WWTP and lift station; (4) approve Pay Estimate No. 16 in the amount of \$82,001.25 to Nunn for construction of Water Plant No. 2; (5) approve Pay Estimate No. 3 in the amount of \$63,700.65 to C.E. Barker, Ltd., for construction of the sub-regional detention phase II project; (6) approve Pay Estimate No. 6 and Final in the amount of \$49,674.92 to R&T Ellis for construction of the detention facilities to serve District East and accept the project; (7) authorize R.G. Miller to prepare plans and specifications for the necessary District drainage improvements based on the District's updated drainage study; and (8) approve the Utility Commitment Letter for the proposed gas station at the southwest corner of Peek Road and Bellaire Boulevard and direct that the letter be filed appropriately and retained in the District's official records. Director Bridges seconded the motion, which passed by unanimous vote, with all directors voting "yea."

REPORT ON MAINTENANCE OF DISTRICT DETENTION PONDS AND FACILITY SITES

Ms. Miller reviewed correspondence from a resident of Fort Bend County Municipal Utility District No. 133 requesting that the District increase its maintenance of a District easement located west of N. Waterlily Drive (the "Easement") to include additional debris and trash removal. Following review and discussion, the Board concurred that no additional maintenance is required for the Easement.

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 located at 23031 Canal Road disposed of palm tree debris behind their fence onto the drainage channel. Following review and discussion, Director Bridges moved to (1) accept the report from Champions; and (2) authorize ABHR to send a letter to the resident at 23031 Canal Road requesting that the resident remove the tree debris. Director Lewis seconded the motion, which passed by unanimous vote, with all directors voting "yea."

PARK AND RECREATIONAL FACILITY PLANNING MATTERS

Ms. Miller reviewed correspondence received from the Fort Bend County Judge and Fort Bend Green requesting that the District complete a survey regarding the location of all public parks and open spaces owned by the District so that the data can be included in Fort Bend County's Geographic Information System. Following review and discussion, the Board directed R.G. Miller to complete the Fort Bend Green survey on behalf of the District.

Discussion ensued regarding potential future District park and recreation projects.

DISTRICT WEBSITE MATTERS

There was no discussion on District website matters.

DIRECTOR APPOINTMENT MATTERS

Ms. Miller reported that Ken Mathews, a resident of Parkway Lakes subdivision, is interested in filling the vacant Board position. The Board directed ABHR to include the appropriate items on the next meeting agenda to consider appointing Mr. Mathews to the Board.

DEVELOPMENT IN THE DISTRICT (Continued)

Mr. Ferguson discussed the contribution of certain trees by Parkway Lakes Master, Ltd. ("Parkway Lakes"), to the District for use within the District's boundaries.

He noted that while the trees would be donated to the District at no cost, the costs associated with removal and relocation of the trees from Parkway Lakes' approximately one-acre tract (the "Tract") located at the southwest corner of Peek Road and Bellaire Boulevard would be the District's responsibility. Following discussion, the Board requested that Mr. Ferguson provide the District with a letter (the "Letter") allowing District representatives access to the Tract and agreeing to contribute trees from the Tract free of charge to the District. Following discussion, Director Bridges made a motion to approve the removal and relocation of trees from the Tract to within the District at a cost not to exceed \$10,000, subject to receipt of the Letter from Parkway Lakes. Director Lajoie seconded the motion, which passed by unanimous vote, with all directors voting "yea."

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

/s/ Peter Lajoie
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	4
Engineer's report	5
Report from Champions	8