

Midland County Utility District
Regular Meeting Minutes
September 19, 2019

The Board of Directors of the Midland County Utility District met in a regular meeting on September 19, 2019 at 2405 West Missouri Avenue, Midland, Texas 79701. The meeting was held pursuant to notice given to the public in accordance with the laws of the State of Texas. The meeting was open to the public.

Item 1. The meeting was called to order at 5:30 p.m. by President Viney.

Board members present were:

Dr. Shelton Viney
Alan Lang
Israel Rodriguez
Jackie Schneider
Joe Patten

Also present at the meeting were:

Gary J. Law	Midland Development Corporation
Kyle Krueger	Parkhill, Smith & Cooper
Casey Raines	Rendall Sikes PLLC
Cory Moose	City of Midland Utility Department
Ashley Burks	Parkhill, Smith & Cooper
Bill Bain	bookkeeper

Item 2. Dr. Viney announced that a quorum was present.

Item 3. No members of the public wished to speak.

Item 4. Dr. Viney called Item 4 on the Agenda. Mr. Rodriguez made a motion to approve the Minutes of the August 15, 2019 meeting which was seconded by Mr. Schneider and passed unanimously.

Item 5. Mr. Bain reviewed the financials with the Board. After discussion Mr. Schneider made a motion to approve the financial report and approve payment of bills and invoices attached hereto. The motion was seconded by Mr. Lang and unanimously approved. Future financial reports will be paginated for ease of the reviewers.

Item 6. Mr. Krueger provided a report to the Board in regard to the District activities.

Item 7. The committee composed of Dr. Viney and Alan Lang met prior to the Board meeting and agreed to recommend Weaver & Tidwell LLC to provide audit services for the 2019-2020 fiscal period. After discussion Mr. Lang made a motion to approve the recommendation and hire Weaver & Tidwell LLC. The motion was seconded by Mr. Schneider and unanimously approved.

Item 8. The committee composed of Dr. Viney and Alan Lang met prior to the Board meeting and agreed to recommend Rendall Sikes PLLC to provide legal support on a going-

forward basis. After discussion Mr. Lang made a motion to approve the recommendation and hire Rendall Sikes PLLC. The motion was seconded by Mr. Schneider and unanimously approved.

Item 9. The Board discussed the status of the Permian Basin Water Resources discussions. Mr. Rendall is working with Midland County to obtain the necessary right of way.

Item 10. Mr. Bain discussed a proposed amended budget for the 2019-2020 fiscal year. After discussion, Mr. Lang made a motion to approve the amended budget attached hereto. Mr. Rodriguez seconded the motion and it was unanimously approved.

Item 11. Dr. Viney conducted a public hearing regarding a proposal establishing the ad valorem tax rate of \$0.027302 per \$100.00 of taxable assessed value of Fiscal Year 2019-2020. No members of the public were present or wished to speak. Mr. Bain mentioned that 70% of the taxes were paid by oil property owners and 30% of the taxes were paid by homeowners.

Item 12. Mr. Rodriguez made a motion to approve the following Resolution establishing the ad valorem tax rate for Fiscal Year 2019-2020. Mr. Lang seconded the motion and it was unanimously approved.

RESOLUTION

WHEREAS, the appraisal roll of Midland County Utility District (the "District") for 2019 has been prepared and certified by the appraiser for the District and submitted to the District's tax assessor/collector; and

WHEREAS, the District's tax assessor/collector has submitted the certified appraisal roll for the District, dated July 22, 2019, showing \$2,997,169,103 to be the estimated total appraised, assessed and taxable values of all property and the total taxable value of new property, to the Board of Directors of the District; and

WHEREAS, based upon the certified appraisal roll, the employee or officer designated by the Board of Directors of the District has calculated a tax rate to be levied for 2019 sufficient to provide tax revenues to meet the District's obligations;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF MIDLAND COUNTY UTILITY DISTRICT THAT:

Section 1. The District has previously adopted a budget for the upcoming fiscal year, which will be partially funded from the revenues generated by the tax rate established in this order levying taxes.

Section 2. There is levied an ad valorem tax of \$0.027610 on each \$100.00 of taxable property within the District in order to provide funds for maintenance and operating purposes.

Section 3. All taxes collected pursuant to this levy, after paying costs of levying, assessing and collecting the taxes, will be used for paying the District's costs of providing services and organization and administrative expenses, including legal fees, and for paying principal of and

interest on bonds, warrants, certificates of obligation or other lawfully authorized evidences of indebtedness issued or assumed by the unit.

Section 5. The Midland County Tax Assessor/Collector is authorized to assess and collect the taxes of the District employing the above tax rate.

Section 6. The taxes levied by this Order are due presently and will be delinquent if not paid by January 31, 2020.

Section 7. This Order Levying Taxes is effective from and after its adoption.

Item 13. Mr. Krueger and Ms. Burks gave a brief summary of the District's website and e-mail system. Ms. Burks is available to provide support to the Board in activating their email accounts which should be done prior to the next Board meeting.

Item 14. Mrs. Raines provided an overview of the meetings held by Priority Midland.

Item 15. The Board recessed into Executive Session at 6:15 p. m.
No action was taken in Executive Session.

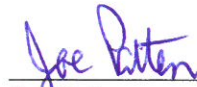
The Board resumed its Regular meeting at 6:20 p.m.

Item 16. After discussion, the Board approved for Mr. Rendall to interview potential investment advisors and bond counsel, so as to make a recommendation at the next Board meeting. If possible, the Board would like to meet the applicants.

Item 17. Dr. Viney announced the next regular meeting of the Board would take place on Thursday, October 17, 2019 at 5:30 p.m. subject to call of the President.

Item 18. The meeting was adjourned at 6:33 p.m.

Respectfully submitted,



Joe Patten
Secretary