HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50
MINUTES OF MEETING OF BOARD OF DIRECTORS
DECEMBER 5, 2017

The Board of Directors (the "Board" or "Directors") of Harris County Municipal Utility District No. 50 (the "District") met in regular session, at 6:00 p.m., at 4406 Independence Pkwy, La Porte, Texas 77571, on Tuesday, December 5, 2017, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Martin Lemond	President
Simone Wheatfall	Vice President
Alice Dangerfield	Secretary
Daryl Johnson	Assistant Secretary/Investment Officer
Andrew Sonnier	Director

All members of the Board were present except Director Sonnier, thus constituting a quorum. Also present were Ms. Jaleesa Auzenne ("Executive Director"); Ms. Amber Hurd of Cobb Fendley & Associates, Inc. ("Engineer" or "CobbFendley"); Ms. Kandy Pfeffer of ETI Bookkeeping Services ("Bookkeeper"); Mr. John Montgomery of Municipal Operations & Consulting, Inc. ("MOC"); Ms. June Muth of San Jacinto Tax Services Co., ("Tax Assesor-Collector"); Mr. John Hall of John Hall Public Affairs ("Interim Executive Director"); and Mr. Reginald Wilson of Norton Rose Fulbright US LLP ("Attorney"); and Ms. Monique Hayes, member of the public.

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may come before it.

1. Public Comment. The President then opened the meeting to public comment.

   a. Ms. Hayes informed the Board that the trash collection schedule will remain the same for the holidays. Ms. Hayes then stated that Christmas trees will be considered heavy trash and will be collected on heavy trash days. Ms. Hayes then informed the Board that the credit associated with incorrect trash collection account numbers reported will begin in January and be spilt over the next couple months.

As there were no further public comments offered, the President directed the Board to proceed with the agenda.

2. John Hall Public Affairs Report. Mr. Hall reported the meeting with Harris Galveston Subsidence District is scheduled for December 11. Mr. Hall stated the meeting will provide Harris Galveston Subsidence District with an update on the District's water conservation plan and the challenges the District still face when considering conversion from ground water to surface water.

3. Strategic Plan. The President next directed the consultants to provide their updates to the District's Strategic Plan, a copy of which is attached hereto. The consultants provided updates, as indicated, as follows:

Mr. Montgomery reported that culvert needs to be extended by TxDOT at FM 1942 and Milo. Mr. Montgomery stated there was a previous water line break that is getting worse and the ground has sunk in at this location. Mr. Montgomery reported televising the line was attempted but no help. Mr. Montgomery then stated repairs will take place next week.

Mr. Montgomery then reported Ms. Deville (District's In-House Operator) will begin on calls twice a month.

a. WATER SYSTEM

(1) Monthly Water Operations Report
- (a) Compliance Issues
- (b) Water System Repairs
- (c) Flushing Report
  Update: John Montgomery reported flushing report completed by Robin Deville.
- (d) Harris County FM 2100, Phase 2, Widening Project Report
- (e) Harris County FM 2100, Phase 3, Widening Project Report
- (f) TxDOT FM 2100 Expansion Report
- (g) Drinking Water Quality Report (Consumer Confidence Report)

(2) Water Conservation Program
- (a) Water Accountability Report
  Update: Mr. Montgomery reported accountability is at 79%, but 84% with the inclusion of leaks and flushing water.
- (b) Meter Replacement
- (c) Leak Detection/Water System Repair **[*DFund $200,000 Series 2012 surplus*]**
- (d) Public Education (bill inserts, water kits)

(3) Water System Improvements **[*DWSRF $3,500,000 Series 2016*]**
- (a) Proposed improvements
  - i. Crosby-Lynchburg Water Plant (upgrades to booster pumps, generator, electrical service, new pump and chemical building)
    Update: Ms. Hurd reported preliminary drawings have been submitted to the operators for review. Ms. Hurd is getting proposals from Geotechnical and electrical engineers.
  - ii. St. Charles Water Plant (upgrades to booster pumps, generator, electrical service, new pump and chemical building, new 80,000 ground storage tank and new hydropneumatic tank, and property acquisition).
    Update: Ms. Hurd reported preliminary drawings have been submitted to the operators for review. Ms. Hurd is getting proposals from Geotechnical and electrical engineers.

iii. Magnolia Water Plant (Well No. 3)
Update: Mr. Montgomery reported is back in service. Ms. Hurd reported their surveyor is working on boundary descriptions of the BHM and Arline properties which are required for property purchase. Ms. Hurd then reported that Phase 1 for Arline has been given to TWDB for review.

iv. 8-inch and 12-inch Water Plant feeder lines

v. Smart Meter Implementation

b. WASTEWATER SYSTEM

(1) Monthly Wastewater Operations Report

(a) Compliance Issues/Discharge Permit
Update: Ms. Hurd reported Wastewater Treatment Plant No.1 permit amendment is administratively complete and the first round of publications have been completed. Now both permits are under technical review at TCEQ. Ms. Hurd then reported second round of publications will take place in January.

(b) Wastewater System Repairs

(c) Sanitary Sewer Overflow Program
Update: Mr. Montgomery reported no overflows.

(d) Emergency CCTV Inspection

(e) 2017 Sanitary Sewer Rehabilitation

(2) Wastewater Treatment Plant No. 1

(a) Future Expansion

(b) Right-of-way access to Hwy 90

(3) Wastewater System Improvements

(a) Wastewater Treatment Plant No. 2 [***CWSRF $2,460,000 Series 2015***]
Update: Ms. Hurd reported Bio-West met the Army Corps of Engineers at the discharge point location for a requested site visit. Ms. Hurd stated the Army Corps of Engineers needs to issue a letter of No Objection for the project. Ms. Hurd then stated the letter is the final document needed to submit the Environmental Investigation Document.

(b) Outfall Force Main (STP 2 to drainage ditch adjacent to Kodiak Crossing)

(c) Sanitary Sewer Lines [***DFund $1,350,000 Series 2013 surplus ($80,000) and CWSRF $2,460,000 Series 2015***]

c. PENDING/POTENTIAL DEVELOPMENT

(1) Barrett Station

(a) District Administration Building

(b) New service connections

(2) Kodiak Crossing

(a) Section One

i. New service connections

Update: Mr. Montgomery reported one (1) new water tap.

(b) Section Two

Update: Ms. Hurd reported No Objection letters were sent to the engineer on the construction plans. Ms. Hurd then reported Kodiak Crossing plans to issue Notice to Proceed in December.

(c) Section Three

Update: Ms. Hurd reported No Objection letters were sent to the engineer on the construction plans. Ms. Hurd then reported Kodiak Crossing plans to issue Notice to Proceed in December.

(3) RV Park Developments

(a) RV Park near Thompson Apartments

(b) Bradley RV Park

(4) Tractor Supply (North of Hwy. 90)

(5) Thomas Apartment Expansion (FM 1942)

(6) Potential New Residential Subdivisions

(7) Pendleton/Motel Development (North of Hwy. 90)

(8) Express Mart (13203 Crosby Lynchburg)

(9) Church of Nazarene

Update: Ms. Hurd reported the Church is planning to construct a small water well. Ms. Hurd then reported she has reached out to get a timeframe on schedule and to remind them that they have to submit plans for approval.

(10) Lago Bello MUD No. 1

d. ADMINISTRATIVE ISSUES

(1) Discuss District name change

(2) Consent Decree (EPA)

Update: Ms. Hurd provided an update from the conference call held on November 29th with EPA, DOJ, TCEQ, Attorney General, and MUD 50 to update everyone on the status of WWTP No. 2.

(3) Groundwater Conservation Plan (Harris-Galveston Subsidence District)

Upon **motion** by Director Sonnier, seconded by Director Dangerfield, after full discussion and with all Directors present voting aye, the Board approved the Strategic Plan Update, as presented.

4. General Manager's Report. No Operations Report.

5. Executive Director's Report.

a. Ms. Auzenne provided an update on the meeting with TWDB. Ms. Auzenne stated the current loans' status were reviewed and future projects were discussed to determine financing options. Ms. Auzenne then reported that the need for funding commitment for WWTP No. 2 was discussed with TWDB as a priority.

6. Attorney's Report. Mr. Wilson reviewed SB 1812 Eminent Domain reporting compliance. Mr. Wilson reviewed eminent domain power limits.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, the meeting was adjourned.

to choice an inspector for construction and inspection of facilities.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, the meeting was adjourned.

PASSED and **APPROVED** this the 22nd day of February, 2018.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50
HARRIS COUNTY
TEXAS

(DISTRICT SEAL)

Alice Dansfield
Secretary, Board of Directors