**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50**
MINUTES OF MEETING OF BOARD OF DIRECTORS
February 6, 2018

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 12900 Crosby Lynchburg Rd., Barrett Station, Texas 77532, on Tuesday, February 6, 2018, 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:

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| 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, thus constituting a quorum. Also present were Ms. Jaleesa Auzenne ("Executive Director"); Ms. Karen Sims Kendricks ("General Manager"); Ms. Amber Hurd of Cobb Fendley & Associates, Inc. ("Engineer" or "CobbFendley"); Ms. Kandy Pfeffer of ETI Bookkeeping Services ("Bookkeeper"); Mr. Reginald Wilson of Norton Rose Fulbright US LLP ("Attorney"); Mr. John Hall of John Hall Public Affairs ("Interim Executive Director"); and Messrs. John Windfont and Emmanuel Jackson, members 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.** Messrs. Windfont and Jackson addressed the Board requesting an update on the status of getting water/sewer services at Felton St. Ms. Auzenne responded the property requesting water/sewer services must be platted or an exception provided to the District. Ms. Auzenne then responded that the District has performed all responsibilities at this time. Mr. Jackson inquired about the size of lines needed. Ms. Hurd responded that she used the number of undeveloped lots in the area to determine a four (4) inch water line and three (3) inch sewer forcemain are needed to service the area. Mr. Jackson stated that only four (4) lots are requesting water/sewer services. Ms. Auzenne responded that the District does not have any platting information for any lots and would not be able to provide services without platting information. Further, Ms. Auzenne responded that Mr. Jackson and Mr. Windfont review all plans with Ms. Hurd to ensure the District has accurate information.

Messrs. Windfont and Jackson exited the meeting at this time. 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 provided an update from the consultant's

quarterly meeting. Mr. Hall reported the consultant's will continue working on the Capital Improvement Plan and Operating Budget for completion prior to the next fiscal year.

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:

**a. WATER SYSTEM**

(1) Monthly Water Operations Report
- (a) Compliance Issues
- (b) Water System Repairs
- (c) Flushing Report
- (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
- (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 Geotechnical borings were completed and they are preparing a draft geotechnical report. Ms. Hurd then stated electrical engineer made site visits to begin his design drawings, this usually takes two weeks. Ms. Hurd stated she will be incorporating the operator's comments and getting the plans ready to submit to agencies.**
  - 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 Geotechnical borings were completed and they are preparing a draft geotechnical report. Ms. Hurd then stated electrical engineer made site visits to begin his design drawings, this usually takes two weeks. Ms. Hurd stated she will be incorporating the operator's comments and getting the plans ready to submit to agencies.**
  - iii. Magnolia Water Plant (Well No. 3)
  - 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 is under technical review at TCEQ. Ms. Hurd then reported Wastewater Treatment Plant No. 2 draft permit has been issued by TCEQ. Ms. Hurd stated she will be reviewing the draft permit and have until February 14th to make comments.**

(b) Wastewater System Repairs

(c) Sanitary Sewer Overflow Program

(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 the final Environmental Investigation Document was sent to TWDB for their review and approval, she confirmed that it was received.**

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

(c) Sanitary Sewer Lines **[*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

(b) Section Two

**Update: Ms. Hurd reported inspector is on site three days a week observing the water and sewer line installation.**

(c) Section Three

**Update: Ms. Hurd reported inspector is on site three days a week observing the water and sewer line installation.**

(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)

**Update: Ms. Sims stated the owner of Express Mart contacted the office regarding tap fees. Ms. Sims then stated she has contacted Mr. John Montgomery to find out the tap fees and will update Express Mart owner**

**when she has information available.**

(9) Church of Nazarene

**Update: Ms. Hurd reported the Church and their engineer have been working on detention plans and are not ready to meet to discuss the water well.**

(10) Lago Bello MUD No. 1

**Update: Mr. Wilson reported that Lago Bello MUD No. 1 has reached out to set up a meeting to discuss interest in working with District. Director Lemond responded that Mr. John Howell wanted to inform the Board he may be working with Lago Bello. Director Lemond inquired if this would be a conflict of interest. Mr. Wilson responded that there is no conflict of interest and it is not uncommon to have financial advisor work for districts working together. Director Johnson stated he has concerns with Mr. Howell working for both districts. Mr. Wilson responded that Mr. Howell stressed he will remain impartial and that all information the financial advisor works with is public information.**

**d. ADMINISTRATIVE ISSUES**

(1) Discuss District name change

(2) Consent Decree (EPA)

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

**Update: Ms. Hurd provided the Annual Water Conservation Plan Update for Board review and approval, the report is due to HGSD by May 1st.**

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

4. General Manager's Report. The Operations Report, a copy of which is attached hereto was reviewed by the Board.

Upon motion by Director Johnson, seconded by Director Wheatfall, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented.

5. Executive Director's Report.

**a.** Ms. Auzenne presented District February Newsletter and Welcome Packet for review and comments by the Board.

**b.** Ms. Auzenne stated that Mr. Ryland requested the Board consider any options to reduce tap installation fees for his company. Ms. Auzenne then provided the presentation sent by Mr. Ryland for review. The Board inquired what options are available to assist Mr. Ryland. Mr. Wilson responded that the Board should consider fairness when looking into reducing tap installation fees for one person or group. Mr. Wilson did not recommend reducing tap installation fees for Mr. Ryland. The Board agreed.

**c.** Ms. Auzenne then provided an update on the CWSRF 2017 application status. Ms. Auzenne stated the consultants are respectively working on their assigned parts of the application and a mandatory phone conference has been set up with

TWDB.

6. Attorney's Report. Mr. Wilson presented and reviewed the Order authorizing exemption(s) from taxation and Resolution authorizing additional penalty on delinquent taxes. Director Sonnier inquired if we should increase the current $10,000 exemption to $15,000. Ms. Auzenne stated she will follow up with Ms. June Muth to determine the impacts of this increase. The Board tabled the Order authorizing exemption(s) from taxation and Resolution authorizing additional penalty on delinquent taxes until they review the impacts of the suggested exemption increase.

7. Executive Session. Executive Session was called to order at 7:07 p.m. Executive Session was ended at 7:50 p.m. and public session resumed.

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

**PASSED** and **APPROVED** this the 6th day of March, 2018.

(DISTRICT SEAL)

Alice Dangerfield

Secretary, Board of Directors