

MINUTES OF MEETING OF BOARD OF DIRECTORS
FEBRUARY 17, 2023

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

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The Board of Directors (the "*Board*") of Harris County Municipal Utility District No. 50 (the "*District*") met in regular session, open to the public, at the Riley Chambers Community Center, 808 ½ Magnolia Ave, Crosby, Texas 77532, and via teleconference on February 17, 2023 at 10:00 a.m.; whereupon the roll was called of the Board, to-wit:

Andrew Sonnier, President
Martin Lemond, Vice President
Alice Dangerfield, Secretary
Daryl Johnson, Treasurer/Investment Officer
Vacant, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Ms. Kandy Pfeffer of Elite Bookkeeping ("*Elite*"), bookkeepers for the District; Mr. John Howell of The GMS Group, L.L.C., financial advisor for the District (via teleconference); Mr. John Hall, District Advisor; Ms. Dawn Muth of San Jacinto Tax Service Co., LLC ("*SJTS*"), tax assessor and collector for the District; Ms. Jaleesa Auzenne, Strategic Consultant for the District; Mr. Mason Mueller of Cobb Fendley & Associates, Inc. ("*Cobb Fendley*"), engineers for the District; Mr. Charles Graham of Norton Rose Fulbright US LLP ("*NRF*"), attorneys for the District (via teleconference); and Mr. John Montgomery of Municipal Operations & Consulting ("*MOC*"), operator for the District.

Call to Order. President Sonnier called the meeting to order in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as *Exhibit A*, and the following business was transacted:

1. **Public Comments.** There were no public comments.

2. **Discuss District bond and take any necessary action.** Mr. Howell reviewed a summary of the District's bond history and estimated bond capacity, a copy of which is attached hereto as *Exhibit B*. He stated that the bond amount authorized by voters is \$38,186,000, the bond amount currently issued is \$20,935,000 and the remaining bond amount to be issued is \$15,670,000. He also stated that the remaining bond amount to be issued after the proposed bond issuance is \$14,630,000, with the proposed bond amount advised to maintain the current tax rate is \$8,000,000.

3. **Discuss District capital projects and take any necessary action.** Mr. Montgomery reviewed a summary of capital projects and improvements, a copy of which is attached hereto as *Exhibit C*. He reported on the Wastewater Treatment Plant No. 1 Improvements. He stated that the installation of the Cantilever gate, motorized gate opener and fiberglass chlorine building were previously approved. He noted that the replacement of the exterior fencing was completed.

Mr. Montgomery reported on the generator installation project and stated that the installation of the generator was previously approved.

Mr. Montgomery reported on the Kodiak Stormwater Station. He requested approval to install a four channel auto dialer with cell phone card not to exceed \$3,500. Upon motion by Director Sonnier, seconded by Director Dangerfield, after full discussion and the question being put to the Board, the Board voted unanimously to approve the installation of a four channel auto dialer with cell phone card in an amount not to exceed \$3,500.

Mr. Montgomery reported on the Wastewater Treatment Facility. He reported on the demolition of the generator and maintenance building. He requested approval for an eyewash station replacement in an amount not to exceed \$3,200. He noted that the expected completion date is May 2023. Upon motion by Director Sonnier, seconded by Director Dangerfield, after full discussion and the question being put to the Board, the Board voted unanimously to approve the eyewash station replacement in an amount not to exceed \$3,200.

Mr. Montgomery reported on the sewer collection improvements. He discussed the Balharbor Lift Station Force Main and the redirection to Wastewater Treatment Plant No. 2 and the need for Wastewater Treatment Plant No. 3. He stated that he would provide cost updates for Balharbor Lift Station Force Main redirection and Wastewater Treatment Plant No. 3.

The Board discussed the potential property to accommodate facility upgrades at 12720 Crosby Lynchburg Road.

Mr. Montgomery reported on water improvements. He discussed the replacement of the exterior fencing, the enclose pump room and the enclose main control center.

Mr. Montgomery reported on the Surface Water Treatment Plant and discussed the C.U.F. system. Discussion ensued regarding the infrastructure fee to offset any future capital improvements costs and to help maintain water and sewer rates and current tax rate. Upon motion by Director Johnson, seconded by Director Dangerfield, after full discussion and the question being put to the Board, the Board voted unanimously to amend the District's Rate Order to include a \$4.00 per 1,000 gallons infrastructure fee effective June 1, 2023. Discussion ensued regarding a letter to customers and updates to the website prior to the effective date.

Mr. Montgomery reported on the leak detection program. He stated that the goal for 2023 is to have a 85% to 90% accountability of water usage. He stated that MOC will begin a monthly leak detection and will be driving the system weekly to look for leaks.

Mr. Montgomery reported on miscellaneous items. He requested authorization to cleanout replacement at St. Martin de Porres Church not to exceed \$1,600. Upon motion by Director Sonnier, seconded by Director Lemond, after full discussion and the question being put to the Board, the Board voted unanimously to approve the cleanout replacement at St. Martin de Porres Church in an amount not to exceed \$1,600.

4. **Discuss property acquisition and take any necessary action.** The Board reviewed a summary of the completed capital projects and list of capital improvement projects for 2023 to 2038, a copy of which is attached hereto as *Exhibit D*. Discussion ensued.

5. **Discuss fiscal year 2024 budget preparation and take any necessary action.** The Board reviewed a proposed budget for fiscal year 2024. Discussion ensued regarding District line extensions budget. It was the consensus of the Board to establish a line item for capital outlay with a budget of \$175,000 and to establish a line item for special under maintenance and operations with a budget of \$100,000.

6. **Review District Rate Order and take any necessary action.** The Board discussed the Rate Order. Discussion ensued regarding a rate order study and asset management program.

7. **Discuss board administration and take any necessary action.** The Board discussed District administration. Discussion ensued regarding the employee retirement plan. Ms.

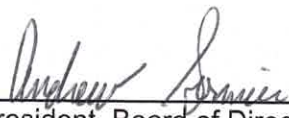
Auzenne stated that she will follow up with employees on the participants and employee cost. Discussion ensued regarding the employee handbook and paid time off. It was the consensus of the Board to not make any changes at this time. Ms. Auzenne discussed a Field Liaison employee and provided a job description and proposal for Board review. Discussion ensued regarding Board policies and consultant contracts. The Board discussed the credit card account being separated, with one account for the front office and the other account being for the Directors. Discussion ensued regarding the credit limit being increased from \$750 per director to \$2,000 per director, with reimbursement from \$50 per day to \$75 per day. Upon motion by Director Johnson, seconded by Director Sonnier, after full discussion and the question being put to the Board, the Board voted unanimously to separate the credit card account, increase the credit limit as discussed and to revise the reimbursement agreement as discussed.

8. **Discuss community outreach and take any necessary action.** Ms. Auzenne district the District calendar. She stated that showerheads will be handed out on Sundays at the local churches with signs put out for showerhead pick up at the District Office. She noted that office staff will be outside to hand out the showerheads on the 8th. Discussion ensued regarding mailing the District calendar to customers. Ms. Auzenne discussed the town hall event for homecoming on July 11. She discussed having a tent on July 15 to hand out items to residents after the parade.

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

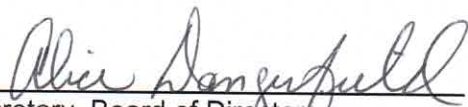
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The above and foregoing minutes were passed and approved by the Board of Directors on March 7, 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors