

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

MINUTES OF MEETING OF BOARD OF DIRECTORS

JANUARY 3, 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 12900 Crosby Lynchburg Road, Barrett Station, Texas 77532, on Tuesday, January 3, 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 Green	Vice President
Alice Dangerfield	Secretary
Daryl Johnson	Assistant Secretary/Investment Officer
Andrew Sonnier	Director

All members of the Board were present. Also present were John Hall of John Hall Public Affairs ("Interim Executive Director"); John Montgomery of Municipal Operations & Consulting, Inc. ("MOC"); Amber Hurd of Cobb Fendley & Associates, Inc. ("Engineer" or "CobbFendley"); Mr. and Mrs. Don Nichols, members of the public; and Ross J. Radcliffe and Joshua J. Ellery of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP").

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. Mr. Nichols requested some relief on his sewer bill due to his system being disengaged, most likely due to the Crosby-Lynchburg Rd. widening project. The President directed the Executive Director and Operator to investigate this issue for resolution.

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

2. Next, Mr. Radcliffe presented a Resolution Authorizing the Execution of a Loan Agreement from the State Infrastructure Bank; Authorizing District Consultants to Act on Behalf of Harris County Municipal Utility District No. 50 in all Matters Relating to the Loan Agreement (the "Resolution"). Upon a **motion** by Director Sonnier, seconded by Director Dangerfield, after full discussion and with all Directors present voting aye, the Board approved the Resolution, a copy of which is attached hereto as Exhibit "A."

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 as Exhibit "B." The consultants provided updates as indicated as follows:

a. WATER SYSTEM

(1) Monthly Water Operations Report

(a) Compliance Issues

(b) Water System Repairs

Update: Mr. Montgomery reported that accountability is at 80%. Mr. Montgomery further reported that the ground storage tank overflowed resulting in a loss of approximately 500,000 gallons of water.

(c) Flushing Report

Update: Mr. Montgomery reported that flushing was completed by Frankie Garcia.

(d) Harris County FM 2100, Phase 2, Widening Project Report

Update: Mr. Montgomery had no additional items to discuss.

Update: Ms. Hurd reported that the washateria's water service has been buried.

(e) Harris County FM 2100, Phase 3, Widening Project Report

Update: Ms. Hurd reported that RG Miller Engineers is designing the Phase 3 project and has requested the District's water/sewer drawings. Ms. Hurd added that CobbFendley is preparing overall utility maps to send to RG Miller.

(f) TxDot FM 2100 Expansion Report

Update: Mr. Montgomery had no additional items to discuss.

(g) Approve distribution of Drinking Water Quality Report (CCR)

(2) Water Conservation Program

(a) Water Accountability Report

Update: Mr. Montgomery reported that accountability is at 80%, but 87% with the inclusion of leaks and flushing water.

(b) Meter Replacement

Update: Mr. Montgomery reported that he does not have an update regarding progress from the District's staff.

(c) Leak Detection/Water System Repair [*DFund \$200,000 Series 2012 surplus*]

(d) Public Education (bill inserts, water kits)

Update: Mr. Montgomery reported that he will provide District staff with a water conservation flyer for the March 2017 billing.

(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)

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).

iii. Magnolia Water Plant (Well No. 3)

Update: Mr. Montgomery reported that the water well ran for 10 days, but tripped out of balance. Mr. Montgomery recommended getting CenterPoint Energy involved to adjust the load to get into balance.

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

v. Reimbursement for completed inspections

b. WASTEWATER SYSTEM

(1) Monthly Wastewater Operations Report

(a) Compliance Issues/Discharge Permit

Update: Mr. Montgomery reported that the District experienced 1.25 inches of rainfall in November. Mr. Montgomery went on to report that the plant is operating at 34%.

(b) Compliance/EPA

(c) Wastewater System Repairs

Update: Mr. Montgomery reported that gear box repairs were made on both aerators and the aerators are back in service.

(d) Sanitary Sewer Overflow Program

(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*]

(b) **Update:** Ms. Hurd reported that CobbFendley has prepared an engineering fee estimate for review and approval in the amount of \$165,000, which is approximately half of the amount approved in the TWDB loan. Ms. Hurd further reported that CobbFendley is reviewing the service area for the new plant and forecasting future development in the undeveloped acreages.

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

Update: Ms. Hurd reported that the force main easements have been recorded. Ms. Hurd went on to report that CobbFendley is contacting two (2) pipelines that the force main crosses to obtain encroachment agreements.

(d) Sanitary Sewer Lines [*DFund \$1,350,000 Series 2013 surplus*]

Update: Ms. Hurd reported that a meeting was hosted between Reliance Construction ("Reliance"), CobbFendley, the TWDB and the District for a project overview and substantial walkthrough. Ms. Hurd indicated that Reliance reported there are two (2) repairs and some cleanout replacements and site restoration that have not been invoiced. Ms. Hurd added that the walkthrough produced a punchlist of remaining items for Reliance to complete. Ms. Hurd indicated that Magna Flow has begun the televising work to check all the areas where repairs have been made.

c. PENDING/POTENTIAL DEVELOPMENT

(1) Barrett Station

(a) New service connections

(2) Kodiak Crossing

(a) Section One

i. Water, Sanitary Sewer & Drainage

Update: Ms. Hurd reported that field inspection reports have been requested from A&S Engineers.

ii. Detention Pond Phase I

iii. Lift Station Project

Update: Ms. Hurd reported that record drawings have been requested from A&S Engineers.

iv. New service connections

(b) Section Two

(3) RV Park Developments

(a) RV Park near Thompson Apartments

Update: Mr. Montgomery reported that final inspections for customer service inspections and sewer inspections are being performed.

(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) Miscellaneous Development

d. ADMINISTRATIVE ISSUES

(1) Discuss District name change

(2) Discuss updates to Strategic Plan

(3) Administrative Building

(4) Consent Decree

(5) Harris-Galveston Subsidence District

e. EMERGENCY RESPONSE PLAN

A discussion ensued regarding an Emergency Response Plan.

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

4. Executive Director's Report. Mr. Hall presented the Executive Director's Report.

a. Mr. Hall presented the 60-Day Cut-Off Report and the January 2017 Updated Cut-Off Report, copies of which are attached hereto as Exhibit "C" and "D," respectively. Upon a **motion** by Director Johnson, seconded by Director Sonnier, after full discussion and with all Directors present voting aye, the Board approved the 60-Day Cut-Off Report and the January 2017 Updated Cut-Off Report.

b. Mr. Hall then presented the Operations Report, a copy of which is attached hereto as Exhibit "E."

- c. Next, the Board discussed dates for the next Quarterly Consultant meeting and moving the Bookkeeper/Tax Assessor-Collector meeting to Monday, January 23, 2017.

5. Approval of Minutes of Prior Meetings. The Board next considered approval of the minutes of the regular meetings of November 17, 2016 and December 6, 2016. Upon a **motion** by Director Dangerfield, seconded by Director Johnson, after full discussion and with all Directors present voting aye, the Board approved the minutes, as presented.

6. Annual Review of Rate Order. The Board next conducted its annual review of the District's Rate Order and determined that no amendments to the Rate Order are necessary at this time, but the Board may consider some changes at a future date.

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

PASSED and **APPROVED** this the 7th day of February, 2017.


Secretary, Board of Directors

EXHIBITS:

- A - Resolution
- B - Strategic Plan Update
- C - 60-Day Cut-Off Report
- D - January 2017 Updated Cut-Off Report
- E - Operations Report