

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50
MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 7, 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, March 7, 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 Jaleesa Auzenne ("Executive Director"); Karen Sims Kendricks ("General Manager"); 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"); Leroy Williams and Aaron Bass, District residents; 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. Williams asked for an update regarding the requested sewer extension to his home located at the corner of Slumber and Paris. Mr. Williams was informed that upon the Board's approval of extending the sewer lines east to Paris at Fontain and Jean Lafitte, installation would begin promptly. The Board indicated that Mr. Williams would be contacted upon the Board's decision.
 - b. Mr. Bass inquired regarding sewer service being provided further north of Paris and the remaining portions of Dreamland Place ("Dreamland") (Lullaby and Sandman). Mr. Bass was informed that the property north of Paris can be supplied by the sewer extension proposed at Fontain and Jean Lafitte. The Board informed Mr. Bass that he will be contacted upon the Board's decision. The Board will continue exploring the remaining portions of Dreamland for the best options to extend the sewer system.

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

2. Discuss Emergency/Hurricane Preparedness. This agenda item was previously addressed/ completed at a prior meeting.

3. Establish Procedures for Preferred Method with Gravity Sewer Extension Versus Case by Case Basis of Force Main Installation. Ms. Hurd and Mr. Montgomery presented possible sewer extensions for Dreamland.

- a. Ms. Hurd explained that the majority of Dreamland can be serviced by using gravity lines or force mains. Ms. Hurd and Mr. Montgomery furthered explained each option in detail. The use of gravity lines will cost more and require more time for installation, but might be a better long-term solution for the District. The use of force mains will cost less and require less time for installation.
- b. Mr. Montgomery then discussed the current request for sewer services pending by Mr. Williams. In order to service the requested are, the use of a force main was suggested. Mr. Montgomery explained that the option to use a force main will allow for the area to be serviced in a cost-efficient manner and provide the Board more time to determine the best option to proceed with the sewer extension for Dreamland.
- c. The Board then inquired regarding how many homes can be serviced using the force main option at Fontain and Jean Lafitte. Mr. Montgomery and Ms. Hurd informed the Board that a two-inch (2") force main can service around ten (10) homes and two and one-half inch (2.5") force main can service around 18-19 homes. Mr. Montgomery further informed the Board that customers connecting to this area will be informed of the correct grinder pump to be purchased to ensure proper pressure.
- d. The Board then fully discussed moving forward with providing sewer service by running a force main east to Paris at Fontain and Jean Laffitte. The Board requested that Ms. Hurd investigate the gravity extension option and provide feedback regarding the cost and timeline.

Upon **motion** by Director Green, seconded by Director Dangerfield, after full discussion and with all Directors present voting aye, the Board authorized sewer to be provided east to Paris at Fontain and Jean Lafitte by using a force main.

4. John Hall Public Affairs Report. Mr. Hall had nothing to report.

5. Strategic Plan. Director Lemond 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

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

(c) Flushing Report

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

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

(2) Water Conservation Program

- (a) Water Accountability Report

Update: Mr. Montgomery reported that accountability is at 69%, but 73% with the inclusion of leaks and flushing water. Mr. Montgomery will seek approval from the Texas Water Development Board ("TWDB") for equipment use regarding water accountability. Mr. Montgomery will continue to investigate the cause of the change in water accountability.

- (b) Meter Replacement

Update: Mr. Montgomery reported that 11 of the meters on the list of 81 meters have been changed.

- (c) Leak Detection/Water System Repair [*DFund \$200,000 Series 2012 surplus*]
- (d) Public Education (bill inserts, water kits)

Update: Mr. Montgomery reported that the water conservation flyer will be delivered to District staff 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).

Update: Mr. Montgomery reported that Bussell and Sons will begin pulling the well on March 6, 2017.

- iii. Magnolia Water Plant (Well No. 3)

Update: Mr. Montgomery reported that issues with Centerpoint have been corrected and the well has been running well in the last two (2) weeks. Mr. Montgomery has requested that CenterPoint change from a two (2) POTT system to a three (3) POTT system to the Magnolia Water Plant.

- 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 10.2 inches of rainfall in January. Mr. Montgomery went on to report that the plant is operating at 99%. Mr. Montgomery then suggested looking into EPA release into the SSO Program.

- (b) Wastewater System Repairs

Update: Mr. Montgomery reported that 415 Winkin was completed on March 4, 2017.

(c) Sanitary Sewer Overflow Program
Update: Mr. Montgomery reported that there were three (3) SSOs.

- (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 the project final design is underway. Ms. Hurd further reported that CobbFendley has begun equipment selection, verifying horsepower requirements, and getting the electrical engineer subconsultant under contract. Ms. Hurd responded to inquiries regarding use of minority vendors, when construction will start and be completed. Ms. Hurd responded that she will look into which vendors are listed and that construction start dates are estimated around 90 days and completion six (6) to seven (7) months thereafter.

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

(d) **Update:** Ms. Hurd reported that Kinder Morgan has requested that the District do a "one-call" locate so that they can probe the pipeline depth.

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

Update: Ms. Hurd reported that Reliance has completed the punchlist of corrections, submitted final videos, and the final pay application. Ms. Hurd reported they will begin to process final payment and start close-out paperwork. Budget breakdown:

TWDB Budget (DFund Series 2013)	\$ 80,000
TWDB Budget (CWSRF Series 2015)	<u>\$611,640</u>
TWDB Budget	\$691,640
Original Contract Value	\$471,346
Total Change Orders	\$ 55,757
Total Contract Value	\$473,103
Remaining Loan Funds	

	\$218,537	Total
Contract Value	\$473,103.00	
Total Paid to Date (1-8)	\$436,664.51	
Remaining in Contract	\$36,438.49	

c. PENDING/POTENTIAL DEVELOPMENT

(1) Barrett Station

(a) District Administration Building

(b) **Update:** Ms. Hurd reported the Project Information Form ("PIF") for the Drinking Water SRF was submitted to TWDB on March 3rd for the Administration Building. Ms. Hurd reported that the PIF has been accepted and under review by TWDB.

(c) New service connections

Update: Ms. Hurd reported she has received a residential service request for 143 Barrett which is not platted. Ms. Hurd has attempted to contact the owner of 143 Barrett, but has received no response. Ms. Hurd reported the owner at 13314 FM 1942 has requested a sewer tap for his mobile home. Ms. Hurd instructed him to submit an application for

service. Mr. Montgomery will need to extend a service line approximately 150 feet and the owner was informed that the other house on site will not be able to receive service. Ms. Hurd reported that Ms. Nakakande has requested a third water tap for her property at 11807 Joan of Arc to serve the third existing mobile home. Ms. Hurd responded that the property is only platted for one (1) water/sewer connection and presented a letter from Ms. Nakakande requesting a waiver from the Board for a third tap.

(2) Kodiak Crossing

(a) Section One

i. New service connections

Update: Mr. Montgomery reported one (1) new sewer tap and six (6) water taps.

(b) Section Two

Update: Ms. Hurd reported that she prepared a letter of Intent to Serve 103 lots in Section 2 in January 2018 for approval by the Board.

(3) RV Park Developments

(a) RV Park near Thompson Apartments

(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. Hurd reported that she received a utility capacity reservation request for a gas station with lease space for fast food at the intersection of FM 2100 and Gulf Pump Road. Ms. Hurd reported that a tire and recycling facility is currently located at that location (JB Tire). Ms. Hurd recommended approval of 6.41 ESFC of water and sewer service to Express Mart.

d. ADMINISTRATIVE ISSUES

(1) Discuss District name change

(2) Discuss updates to Strategic Plan

(3) Consent Decree

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

UPDATE: Ms. Hurd reported that the annual update to the Water Conservation Plan has been submitted to HGSD and the District needs to schedule a follow-up meeting with HGSD.

Actions Taken:

- a. A discussion ensued regarding response letters from Ms. Hurd to residential and commercial service requests. Ms. Hurd presented a letter of intent to serve 103 lots in Section 2 of Kodiak Crossing in January 2018 to A&S Engineers, Inc. Ms. Hurd also presented a letter to Express Mart (13203 Crosby Lynchburg Road) for approval of 6.41 ESFC of water and sewer services to Express Mart. Ms. Hurd then presented a letter to Ms. Nakakande (11807 Joan of Arc) denying water and sewer service for a third water tap on her property which would exceed the allocated one (1) ESCF to this property. Upon **motion** by Director Sonnier, seconded by Director Johnson, after full discussion and with all Directors present

voting aye, the Board authorized the letters responding to Ms. Nakakande (11807 Joan of Arc), Express Mart (13203 Crosby Lynchburg Road) and A&S Engineers, Inc.

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

6. General Manager's Report. Ms. Kendricks presented the General Manager's Report.
 - a. Ms. Kendricks presented the 60-Day Cut-Off Report, a copy of which is attached hereto. 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.
 - b. Ms. Kendricks then presented the Operations Report, a copy of which is attached hereto.
7. Executive Director's Report. Ms. Auzenne presented the Executive Director's Report.
 - a. Upon **motion** by Director Green, seconded by Director Johnson, after full discussion and with all Directors present voting aye, the Board authorized the Directors to attend the AWBD Spring Breakfast and Summer Conference, if they so choose, on behalf of the District.
 - b. Upon **motion** by Director Johnson, seconded by Director Sonnier, after full discussion and with all Directors present voting aye, the Board authorized the issuance of a District credit card with a limit of \$1,200 to Ms. Auzenne.
8. Legislative Update. Mr. Radcliffe then presented a legislative update to the Board.
9. Approval of Minutes of Prior Meetings. The Board next considered approval of the minutes of the regular meetings of February 7, 2017 and February 23, 2017, and the special meeting of February 21, 2017. Upon a **motion** by Director Dangerfield, seconded by Director Green, after full discussion and with all Directors present voting aye, the Board approved the minutes, as presented.

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

PASSED and **APPROVED** this the 4th day of April, 2017.


Secretary, Board of Directors