

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 5, 2024

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 12900 Crosby Lynchburg Road, Crosby, Texas, on November 5, 2024, at 6:00 p.m.; whereupon the roll was called of the Board, to-wit:

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

All directors attended were present. Also attending all or parts of the meeting, in person and via teleconference, were Ms. Maria Jones, office supervisor of the District; Mr. Charles Graham and Ms. Jane Maher of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; Ms. Amber Hurd of Cobb Fendley & Associates, Inc. ("Cobb Fendley"), engineers for the District; Mr. Roland Leal of Municipal Operations & Consulting ("MOC"), operator for the District; Ms. Jaleesa Auzenne, Program Manager for the District; and Ms. Kim Courte of Arthur J. Gallagher Risk Management Services, LLC (via teleconference).

Call to Order. Mr. Graham 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 (3-minute limit per person).** There were no public comments.

2. **Approve Minutes from October 24, 2024.** The Board reviewed the minutes of the meetings held on October 24, 2024, copies of which were previously distributed to the Board.

Upon motion by Director Sonnier, seconded by Director Clark, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of October 24, 2024, as presented.

3. **Renew District Insurance Policy (Expires December 1, 2024).** Mr. Graham recognized Ms. Courte, who presented to and reviewed with the Board insurance renewal proposal, a copy of which is attached hereto as *Exhibit B*. She reviewed the premium and insurance summary. Director Lemond entered at this time. Ms. Courte stated that the premium increase was due to property values increasing by \$755,000.00. She noted that the renewal premium is \$44,150.00. She stated that there is a typo on the auto deductible and that the premium last year was \$5,619.00. Ms. Jones asked about the status of a claim from July. Ms. Courte stated that she would coordinate with Ms. Jones.

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 approve the insurance renewal proposal.

4. **Indemnification of Directors.** Mr. Graham presented to and reviewed with the Board Resolution Authorizing Indemnification of Directors ("Resolution"), a copy of which is attached hereto as *Exhibit C*. He noted that to the extent that Directors are acting in good-faith in carrying out their duties, the District may indemnify Directors from current surpluses for losses or costs in connection with law suits that are not otherwise covered by the Directors and Officers liability insurance.

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 approve the Resolution.

5. **Review and approve Engineer's Report and take such other action that may be necessary for District projects.** Mr. Graham recognized Ms. Hurd, who presented to and reviewed with the Board for approval of the Engineer's Report, a copy of which is attached hereto as *Exhibit D*.

Applications for service:

Barrett Station – Ms. Hurd stated that Cobb Fendley reviewed tap requests for 13206 Jean Lafitte, 12418 Judge #C and 500 Elm.

Kodiak Crossing Section 4 – Ms. Hurd stated that Cobb Fendley is revising the proposed bond application in the amount of \$5,600,000 and a review draft package has been sent to the Financial Advisor and attorney to review.

Barnaba Estates 15 ESFCs (830 FM 1942) – There were no updates.

210 FM 1942 Carwash (former Creekside Apartments) – Ms. Hurd stated the developer has sent revised plans and Cobb Fendley provided comments.

Guridys Acres (Felton Road) – There were no updates. She stated that she would update the quote amounts in her report to \$24,759.16.

12617 Crosby Lynchburg – Ms. Hurd stated that Letters of No Objection have been provided for on-site water/sewer plans and plans for the water and sewer extension from 12617 Crosby Lynchburg to the Bal harbor Lift Station. She stated that Ms. Jones informed her that they paid the tap quote today.

726 E. St. Charles – There were no updates.

0 Ridge Dr. – There were no updates.

0 Barrett – There were no updates.

610 Chambers – Ms. Hurd stated that the property owner paid the utility commitment letter fee and an utility commitment letter was issued to serve 1 ESFC for a replat.

727 Cottontail – There were no updates.

2100 Highway 90 – Ms. Hurd stated that property owner paid the utility commitment letter fee and an utility commitment letter was issued to serve 30 ESFCs related to a motel and retail building.

144 Felton – Ms. Hurd reviewed a draft utility commitment letter for a plat with five single family lots (5 ESFCs). Discussion ensued. Ms. Auzenne asked when the six month time frame begins in regards the definition of a “developer” in the District’s rate order. Mr. Graham stated that the start date would be the date of the capacity request letter. Ms. Hurd stated that she can put together an email with the maximum capacity for the lines.

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 utility commitment letter for a plat with five single family lots (5 ESFCs) at 144 Felton.

District Projects:

Drinking Water State Revolving Fund (DWSRF) 2016 Water Plant 3 – Ms. Hurd stated that the proposed improvements are an 80,000 gallon ground storage tank, 15,000 gallon hydropneumatic tank, three booster pumps, chlorine disinfection system, diesel emergency backup generator, motor control center, electrical improvements, fencing, driveway, and site work.

WWTP No. 1 Improvements – Ms. Hurd reviewed the Recommendation of Award Letter, stating that the project was bid on October 22nd and four bids were received. She stated that proposed improvements are expanded chlorine basin, proposed digester, blowers, and electrical upgrades, estimated at \$1,500,000.00. She reviewed the bids and recommended the Board consider the base bid from C3 Constructors in the amount of \$960,000.00 and consider adding the bid alternates of crushed concrete driveway repair and chlorine contact baffle walls, for a total bid of \$998,000.00.

Upon motion by Director Sonnier, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to approve awarding the project, including the two bid alternates, to C3 Constructions, LLC in a total amount of \$998,000.00, contingent upon approval of bonds and certificate of insurance. Discussion ensued regarding the engineer fees.

Construction Projects:

Dreamland Place Phase 1 Drainage Improvements – Ms. Hurd stated that CE Barker is continuing work on the drainage improvements.

Barrett Station Phase 2 Drainage Improvements – Ms. Hurd stated that Texas Materials Group has installed approximately 2,000 feet of new waterline. Mr. Lee stated that MOC found some valves that need to be replaced. Discussion ensued.

General District Engineering:

Capital Improvement Plan – There were no updates.

Water Conservation Plan – There were no updates.

Groundwater Reduction Plan – Ms. Hurd stated that the SJRA has sent back a contract for review. She stated that HGSD sent Cobb Fendley comments and is requiring that 30% design be completed and included with the GRP submittal. She requested engineering authorization to begin the preliminary design. She noted that the topo survey is included in the proposal. She stated that the proposal for basic services is \$295,000.00, with an additional services fee of \$47,000.00, for a total of \$342,000.00. Discussion ensued. It was the consensus of the Board to defer approval until after entering executive session.

Mr. Graham reported that he has the contract with SJRA for approval. He stated that the contract will go into effect January 2025.

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 contract with SJRA.

Underserved Area Request – Ms. Hurd stated that Cobb Fendley responded to Engineering about an underserved area near the District. She stated that they have completed their feasibility report for Harris County, who is apply for funding.

Bal Harbor Forcemain – There were no updates.

Water/Sewer Capacity Status – Ms. Hurd reviewed with the Board a list of current utility commitments and plant capacities.

Upon motion by Director Johnson, seconded by Director Clark, after full discussion and the question being put to the Board, the Board voted unanimously to approve the engineer's report and the utility commitment letters for 610 Chambers and 2100 Highway 90.

6. **Review Operations Report and authorize repairs.** Mr. Graham recognized Mr. Leal, who presented to and reviewed with the Board the Operation's Report, a copy which is attached hereto as *Exhibit E*.

Mr. Leal reported that the District's water accountability with leaks and flushing was at 76%.

Mr. Leal reported 8 biological samples were collected and all came back compliant.

Mr. Leal reported that Wastewater Treatment Plants No. 1 and No. 2 ("WWTP 1" and "WWTP 2", respectively) were sampled and in compliance. He stated that WWTP 1 was at 42% capacity and WWTP 2 was at 46% capacity.

Mr. Leal reported on various general maintenance and repairs on District facilities for the last month.

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 to the Operator's Report.

7. **Approve Standard Operating Procedures for District Water/Sewer Line Extension.** Ms. Auzenne stated that this item was already completed.

8. **Ratify Amendments to the Rate Order.** Mr. Graham presented to and reviewed with the Board the amended Rate Order, a copy of which is attached hereto as *Exhibit F*. He stated that the revisions were approved at the last meeting, however, the Rate Order was not on the agenda and the Board needs to ratify approval.

Upon motion by Director Sonnier, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the amendments to the Rate Order.

9. **Discuss District matters and take necessary action.** Mr. Graham recognized Ms. Jones, who presented to and reviewed with the Board a information sheet for "A Christmas

Experience" from the Barrett Success Team, a copy of which is attached hereto as *Exhibit G*. Upon motion by Director Sonnier, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to donate \$1,000.00 to the Barrett Success team.

President Sonnier provided an update on District matters. Ms. Auzenne asked about the Board dinner. It was the consensus to tentatively schedule the dinner for December 12, 2024.

10. **Discuss purchase of real estate.** Upon motion by Director Dangerfield, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to convene in executive session at 8:01 p.m. pursuant to Section 551.072, Texas Government Code, to deliberate the purchase exchange lease, or value of real property. At this time all members of the meeting stayed.

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 reconvene in open session at 8:17 p.m.

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 accept the counteroffer to purchase property for \$755,000.00, with a relocation fee of up to \$5,000.00.

Upon motion by Director Johnson, seconded by Director Clark, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Cobb Fendley to begin the preliminary design of the Groundwater Reduction Plan in the amount of \$342,000.00.

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 December 3, 2024.



President, Board of Directors

ATTEST:



Secretary, Board of Directors