

MINUTES OF MEETING OF BOARD OF DIRECTORS
SEPTEMBER 3, 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 September 3, 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 in person. Also attending all or parts of the meeting, in person and via teleconference, were Ms. Maria Jones, office supervisor of the District, Mr. Michael Haley, employee of the District; Mr. Reginald Wilson and Ms. Jessica Leung 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; Ms. Lisa Rickert with Artesian Financial Services, bookkeeper for the District; Ms. Melody Hess with NewFirst National Bank; and Mr. Brian Harris, a resident of the District.

Call to Order. Mr. Wilson 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).** A member of the public provided their comment after the Engineer's Report.
2. **Approve Minutes from August 22, 2024.** The Board reviewed the minutes of the meetings held on August 22, 2024, copies of which were previously distributed to the Board.

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 minutes of August 22, 2024.

3. **Adopt Resolution Reviewing Investment Policy, and Accept Related Disclosures.** Mr. Wilson presented to and reviewed with the Board the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto ("*Resolution*"), a copy of which is attached hereto as *Exhibit B*. He stated that no changes has been recommended.

Upon motion by Director Dangerfield, seconded by Director Sonnier, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution.

4. **Discuss Utilization of NewFirst Bank.** Ms. Rickert introduced Ms. Hess, a representative from NewFirst National Bank, stating that they have a longstanding relationship working with municipal utility districts.

Ms. Hess reviewed with the Board a presentation on Smart Investing, a copy of which is attached hereto as *Exhibit C*. Discussion ensued regarding various financial products.

5. **Review and approve Engineer's Report and take such other action that may be necessary for District projects.** Mr. Wilson 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 13410 Jean Lafitte, 0 Barrett Rd, 144 Felton.

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 draft will be sent to the District's consultants for review.

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

210 FM 1942 Carwash (former Creekside Apartments) – Ms. Hurd stated Cobb Fendley is waiting for developer to send revised plans and an utility commitment letter was issued for 39 ESFCs.

13111 Crosby Lynchburg – There were no updates.

13415 Blanchard – There were no updates.

Guridys Acres (Felton Road) – There were no updates.

12617 Crosby Lynchburg – Ms. Hurd stated that Cobb Fendley reviewed on-site water/sewer plans and plans for water and sewer extension from 12617 Crosby Lynchburg to the Bal Harbor Lift Station. She stated that Cobb Fendley provided their comments and a no objection letter was issued at the end of last week.

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

0 Ridge Dr. – Ms. Hurd stated that the property owner paid utility commitment letter fee and an utility commitment letter was issued to serve 3 ESFC for a replat.

0 Barrett – Ms. Hurd stated that the property owner is requesting an utility commitment letter to serve 9 ESFC for a new plat.

610 Chambers – Ms. Hurd stated that the property owner is requesting an utility commitment letter to serve 1 ESFC for a replat.

727 Cottontail – Ms. Hurd stated that the property owner is requesting an utility commitment letter to serve 2 ESFC for a replat. The Board agreed for the engineer to inform the developer of the utility commitment fee.

Upon motion by Director Sonnier, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously (1) to approve the utility commitment letter for 0 Barrett to serve 9 ESFC for a new plat; (2) to approve the utility commitment letter for 610 Chambers to serve 1 ESFC for a replat; and (3) to approve the utility commitment letter for 727 Cottontail to serve 2 ESFC for a replat.

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. She stated that Cobb Fendley contacted an environmental consultant for a proposal to perform the required ESA. Ms. Auzenne said that documentations have been provided to the title company to clear title.

WWTP No. 1 Improvements – Ms. Hurd presented two options for the District to move forward with the project, stating that the project can be resubmitted to Harris County for the next round of funding or advertise the project for a rebid. Mr. Wilson noted that \$500,000 is allocated from the bond funds of Bond Series 2022 to this project.

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 authorize Cobb Fendley to rename the project and advertise for a rebid.

Construction Projects:

Dreamland Place Phase 1 Drainage Improvements – Ms. Hurd stated that CE Barker is performing low pressure vacuum testing on the new sewer line and manholes. She stated that all pending sewer taps have been completed on Fontaine and Slumber.

Barrett Station Phase 2 Drainage Improvements – Ms. Hurd stated that Texas Materials Group is actively under construction.

General District Engineering:

Capital Improvement Plan – There were no updates.

Water Conservation Plan – There were no updates.

Groundwater Reduction Plan – There were no updates.

Underserved Area Request – There were no updates.

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. She stated that Cobb Fendley did a site visit to all the water plants to take photos for the TCEQ violation response and the photos will be part of the as-built submittal on the wells. She stated that Cobb Fendley is working on a proposal to prepare an Alternative Capacity Requirement (ACR) submittal to TCEQ for the elevated tank.

Ms. Hurd stated that a developer expressed interest in getting their multi-family residential development annexed into the District. She stated that she informed the developer of the utility capacity limitations the District is experiencing. Discussion ensued regarding WWTP 2 expansion: Mr. Wilson noted that the District has the option to reimburse the developer after they funded and built the expansion.

6. **Public comments (3-minute limit per person) (continued).** Mr. Harris stated that the sewer connection quote the District provided for his property at 350 Lullaby according to the Rate Order is drastically higher than a quote he solicited from a third party company. The Board said that the District typically does not deviate from the Rate Order for liability reasons. The Board agreed to review an itemized quote Mr. Harris received from the third party company.

Extensive discussion ensued regarding extending sewer lines across the District to provide services to areas with water services but not sewer services. Mr. Wilson stated that the Board can consider amending the Rate Order to specify the District's financial responsibilities on establishing water/sewer services.

7. **Review Operations Report and authorize repairs.** Mr. Wilson 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 79%. He stated that the accountability is low due to two main breaks. Extensive discussion ensued.

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 98% capacity and WWTP 2 was at 107% capacity. He stated that the exceedances were due to heavy rainfall from Hurricane Beryl and enforcement discretions have been filed with TCEQ.

Mr. Leal presented to and reviewed with the Board Harris County Residential Tap report, a copy of which is attached hereto as *Exhibit F*.

Mr. Leal presented to and reviewed with the Board a proposal for pothole repair, a copy of which is attached hereto as *Exhibit G*. He stated that option 1 is to repair up to 2,800 sq ft of asphalt in the amount of \$24,500, and option 2 is to demo, haul off and replace approximately 12,000 sq ft of asphalt in the amount of \$48,750.

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 option 2 of the proposal for pothole repair, subject to revisions.

Mr. Leal stated that the Lead and Copper Report has been filed and accepted by TCEQ. He stated that the District currently has 10 copper house lines, 424 copper services lines, and 8 lead house lines which need to be replaced. He stated that the District has 3 years till 2027 to start sending letters to notify customers, and till 2029 to complete all the replacements as required by TCEQ.

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

Director Sonnier reported on potential illegal water/sewer connection. Mr. Wilson stated that the Rate Order grants the District rights to inspect infrastructure provided by the District. The Board agreed for the operator to inspect the potential illegal water/sewer connection.

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 to the Operator's Report.

8. **Discuss Grading, Securing, and Maintenance of Kodiak Crossing Detention Ponds.** Mr. Wilson stated that the HOA is requesting to transfer full financial responsibility of maintenance of Kodiak Crossing Detention Ponds to the District. He stated that the financial responsibilities of maintaining the detention ponds are shared between the District and the HOA according to the September 2019 Detention Pond Maintenance Agreement which will expire in 2059. Discussion ensued.

9. **Discuss District matters and take necessary action.** Ms. Jones presented to and reviewed with the Board the District Matters Report, a copy of which is attached hereto as *Exhibit H*. She stated that there were 148 leaks detected in the District.

Ms. Jones stated that the TRWA Conference is scheduled for October 10-11, 2024.

Ms. Jones presented to and reviewed with the Board a quote from Verizon for backup phone services. 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 quote from Verizon in the amount of \$399 for Business Internet and \$130 for One Talk: Desk phone.

Ms. Hurd presented to and reviewed with the Board a driveway survey in relation to Mr. Bradley's requests. The Board agreed for the engineer to reach out to Mr. Bradley's engineer to clarify on his requests.

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 convene in executive session at 8:44 p.m. pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange lease, or value of real property.

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 reconvene in open session at 8:51 p.m.

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 September 26, 2024.



President, Board of Directors

ATTEST:



Secretary, Board of Directors