

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 18, 2019

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 55

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 55 (the "District") met in regular session, open to the public, at 2300 Pilgrims Point, Webster, Texas, on Tuesday, June 18, 2019, whereupon the roll was called of the members of the Board, to-wit:

Robert L. Squires, President  
Sam Longoria, Vice President  
Gabriel Mendez, Secretary  
Richard Klenk, Treasurer  
Malcolm Swinney, Assistant Secretary

All members of the Board were present, except for Director Mendez. Also attending all or parts of the meeting were Mr. Nelson Gaez of Brown & Gay Engineers, Inc. ("BGE"), engineer for the District; Mr. Chris Wilson of Si Environmental ("Si"), operator for the District; Ms. Kandy Pfeffer of ETI Accounting Services ("ETI"), bookkeeper for the District; Ms. Vicki Sullivan of Equi-Tax, Inc, tax assessor and collector for the District; Mr. Chris Thornhill of the Thornhill Law Firm, delinquent tax attorney for the District; Mr. Tom Dillard of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Tom Hoff of the Forest Bend Fire Department; and Mr. Reginald Wilson, and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The meeting was called to order in accordance with notice posted pursuant to law, copies of the 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. Approve Minutes** The Board considered the special minutes of May 15, 2019 and the regular meeting of May 21, 2019, copies of which was previously distributed to the Board. Upon motion by Director Swinney, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to approve the regular minutes of the special meeting of May 15, 2019 and the regular meeting of May 21, 2019.
- 3. Forest Bend Fire Department Report.** Mr. Hoff reviewed runs for the month of May. He noted that there was a total of three service calls within the month. He provided an update on the budget activity within the month. Mr. Hoff reported that the ladder truck had a midpoint inspection and minor issues were noted.
- 4. Clear Lake Emergency Medical Corps Report ("CLEMC").** President Squires reported that seven of the participants are considering leaving CLEMC within the year. Discussion ensued.

President Squires also reported that Director Swinney is drafting the budget for the next fiscal year. Discussion ensued regarding an increase in the District's assessment if participants withdraw from CLEMC.

The Board agreed to schedule a special meeting on July 9, 2019 to discuss the CLEMC issues.

**5. Tax Assessor and Collector's Report.** Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report and the SPA Report for May 2019, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of May 31, 2019, the District has collected 98.4% of taxes for 2018.

Upon motion by Director Klenk, seconded by Director Swinney, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report, to approve the execution of the checks as presented.

President Squires recognized Mr. Thornhill, who presented to and reviewed with the Board the Delinquent Tax Attorney report, a copy of which is attached hereto as *Exhibit C*. He stated that three residents defaulted on their payment plans and will have until the end of July to remedy the default before service will be terminated. Mr. Thornhill also reported that collections for the 2018 taxes will begin July 1.

**6. Bookkeeper's Report and Investment Report.** Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for May 31, 2019, the 2019 Energy Usage Report, the Budget for fiscal year ending December 31, 2019, and the Investment Report, copies of which are attached hereto as *Exhibit D*.

Ms. Pfeffer reported that the Central Bank certificate of deposit will mature in July.

Ms. Pfeffer reported that a check was issued to the Rodzina Office Lift Station.

Ms. Pfeffer reported that the District received an invoice from the Gulf Coast Water Authority for the forcemain repair. Discussion ensued regarding the invoice.

Ms. Pfeffer discussed the interest in the debt service fund with the Board.

Upon motion by Director Swinney, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report and the Investment Report, and to approve execution of the checks presented.

**7. Review Investment Policy and accept party related disclosures.** Mr. Wilson presented to and reviewed with the Board the Investment Policy and related party disclosures, and the qualified Broker List, copies of which are attached hereto as *Exhibits E* and *F*. Mr. Wilson noted that the Investment Policy is required to be reviewed annually, and that he recommends no changes to the Investment Policy at this time. He also reported that the bookkeeper provided NRF with an updated qualified broker list. Upon motion by Director Longoria, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Investment Policy and qualified broker list, and to accept the related party disclosures.

**8. Review Qualified Broker List.** This item was approved in agenda item no. 7.

**9. Review Ethics Policy.** Mr. Wilson presented to and reviewed with the Board the Ethics Policy, a copy of which is attached hereto as *Exhibit G*. He reported that the District is

required to review the Ethics Policy annually and that he is not recommending any changes at this time. Upon motion by Director Swinney, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Ethics Policy.

**10. Operations Report, Including Review and Approval of Maintenance Items and Delinquent Report.** Mr. Wilson presented to and reviewed with the Board the Operations Report and Maintenance Report for the month of May 2019, a copy of which is attached hereto as *Exhibit H*.

Mr. Wilson reported on tap line leaks and repairs at 15811 St. Lawrence and 3518 Beacons View.

Mr. Wilson reported on fire hydrant maintenance at 4930 Pleasant Plains and 15807 Pilgrim Hall.

Mr. Wilson reported that 42 meters, 12 meter boxes, and 10 lids were replaced in the District within the month.

Mr. Wilson reported that landscaping was replaced after tap line repairs at 4943 Shady Oaks and 4807 Ten Sleep.

Mr. Wilson reported on a broken Y and mainline replacement at 4731 Blackenberry.

Mr. Wilson reported on the replacement of 15 feet of bad sanitary sewer lines at 4726 Five Knolls.

Mr. Wilson reported on the repairs for the month at the St. Lawrence Lift Station L1 and the Blue Mesa Lift Station L2.

Mr. Wilson reported on the repairs and maintenance at Fife Lane Water Plant W1, Hope Village Water Plant E1, and the Planter Way Water Plant W2.

Mr. Wilson reported that the accountability was 80.39% for the period between March and April 2019.

Mr. Wilson reported that a well production test was conducted and the District is over the permit limit. Mr. Wilson recommended selling groundwater credits for the additional water. Upon motion by Director Klenk, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Si to sell groundwater credits for the additional water over the permitted level.

Mr. Wilson reviewed the cut off list with the Board.

Upon Motion by Director Swinney, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to approve execution of the cut off list.

**11. Engineer's Report.** Mr. Gaez presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*, and which follows in substantially the form it was presented:

**a. Commercial Reviews**

1. **Beamer Villas:** Mr. Gaez reported that BGE followed up with the developer regarding an amendment to the existing development reimbursement agreement.

**b. Commercial Reviews**

1. **El Dorado Tracks:** Mr. Gaez reported that the developer is working on the design and that BGE requested additional information from Harris County Flood Control District ("HCFCD") regarding their status on the additional detention. He stated that BGE informed HCFCD of the concerns regarding water elevation during storm events. Mr. Gaez reported that HCFCD suggested that the District perform a study to determine if the pond is performing as designed and to determine accurate capacity of the pond.

Discussion ensued regarding the cleaning of the storm quality feature. Mr. Dillard reported that the District budgeted \$30,000 for the cleaning. He stated that he will obtain a proposal for the cleaning.

- c. Capacity Requests.** Mr. Gaez reported that there are no new requests.

**d. BGE Authorized Projects:**

1. **Water Plant No. 1 GST Replacement:** Mr. Gaez reported that the construction is ongoing and that the contractor anticipates to complete the coating by the middle of July. Mr. Gaez discussed the issue with the run times. He presented Pay Estimate No. 6 in the amount of \$19,056.60 for Board approval.

Upon motion by Director Swinney, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. 6 in the amount of \$19,056.60.

**e. COH / County Projects**

1. **COH Southeast Transmission Line (surface water line):** Mr. Gaez reported that there is a meeting scheduled for June 25, 2019 to discuss the Texas Water Development Board funding for the project. Discussion ensued.

2. **142-2 LS Forcemain Repair:** Mr. Gaez reported that the total costs of the repair was \$689,978.77 and the District's share is \$492,841.98.

**f. Additional Items**

1. **Water Plant No. 1 840,000 Gallon Ground Storage Tank Cathodic Protection System Rectifier.** Mr. Gaez reported that Farwest

Corrosion Control Company ordered the rectifier and is waiting for delivery. He stated that delivery is estimated for the end of June.

Upon motion by Director Longoria, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

**12. Park and Recreational Facility Report.** Mr. Dillard presented an oral Park and Recreational Facility Report, stating that there are no issues to report at this time.

Mr. Dillard presented a proposal for bi-monthly debris removal, mowing and weed eating at the drainage channel, a copy of which is attached hereto as *Exhibit H*. He stated that the annual cost for the bi-monthly maintenance will be \$11,004. Upon motion by Director Klenk, seconded by Director Longoria, after full discussion and the question being put to the Board, the voted three-one, with Director Swinney opposed, to accept the proposal from Champions for the bi-monthly maintenance of the drainage channel.

**13. Sewage Treatment Plant Operations Report.** There was no report.

**14. Southeast Water Plant Report.** There was no report.

**15. Discuss Maintenance of District Facilities.** Director Longoria reported that there are no new updates.

**16. Discuss proposal for nutria control and take any necessary action.** Mr. Dillard reported that the nutria removal proposal presented at the March meeting was in the amount of \$5,175 for the initial set up and removal. He stated that he will obtain a second cost estimate.

**17. Discuss Champions mowing and maintenance proposal and take any necessary action.** This was discussed in the park report.

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 July 16, 2019.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors