

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 19, 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, February 19, 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 Directors Mendez and Swinney. 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; Mr. Reginald Wilson, and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; and Mr. Anil Sreedharan, Ms. Gabrielle Knight, and Ms. Geri Squires, visitors and resident of 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 regular minutes of January 15, 2019, and the special minutes of February 6, 2019, copies of which was previously distributed to the Board. 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 regular minutes of January 15, 2019, and the special minutes of February 6, 2019, as presented.

3. Forest Bend Fire Department Report. Mr. Hoff reviewed runs for the month of January. He noted that there was a total of approximately 36 calls within the month. He reported that the new fire truck is ahead of schedule.

Mr. Hoff reported that they are one month into the new fiscal year.

Mr. Hoff reported that he is working with the City of Friendswood to obtain an ew radio system and the costs are significantly less than Harris County. system.

4. Clear Lake Emergency Medical Corps Report ("CLEMC"). President Squires reported that there were no new updates at this time.

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 December 2018, a copy of which is attached hereto as *Exhibit "B."* Ms. Sullivan reported that as of January 31, 2019, the District has collected 95% of taxes for 2018.

Ms. Sullivan reviewed the SPA revenue report with the Board. She noted that a new account has been added. Brief discussion ensued regarding the revenue.

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 Tax Assessor and Collector's Report, to approve the execution of the checks as presented.

6. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for January 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 "C."*

President Squires briefly discussed the variance in the first month of the budget for fiscal year ending December 31, 2019.

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 accept the Bookkeeper's Report and the Investment Report, and to approve execution of the checks presented.

Director Klenk exited and re-entered the meeting during the report.

7. 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 January 2019, a copy of which is attached hereto as *Exhibit "D."*

Discussion ensued regarding the brown water in the District and the corresponding news articles. Mr. Wilson reported that the issue was resolved.

Mr. Wilson reported on the repairs at 4747 Quillback Drive, 2127 Heritage Colony Drive, 4310 Ruffian, 2610 Midnight Star Court, and 4714 Five Knolls Drive.

Mr. Wilson reported that the security signs for the park and water plant site were purchased.

Mr. Wilson reported that Si jetted lines to clear blockages at 17503 Heritage Cove Drive and 2427 Heritage Bend Drive.

Mr. Wilson reported that Si televised the lines at 4826 Pleasant Plains Drive and 4714 Five Knolls Drive and found no issues.

Mr. Wilson reported that Si reset and resealed a manhole ring at 3011(B) FM 528.

Mr. Wilson reported that Si vactor removed heavy debris build up and jetted the line at 16723 Starboard View.

Mr. Wilson reported on the repairs for the month at the St. Lawrence Lift Station L1 and the Signal Hill List Station L3.

Mr. Wilson reported on the repairs and maintenance at Fife Lane Water Plant W1.

Mr. Wilson reported that performed preventive maintenance on all of the water plant generators.

Mr. Wilson reviewed the accountability with the month and brief discussion ensued regarding the low water accountability.

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

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 approve the Operations Report and to approve execution of the cut off list.

8. 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 "E"*, and which follows in substantially the form it was presented:

a. Commercial Reviews

1. **Beamer Villas:** Mr. Gaez reported that the developer is working on updating the signatures for the storm pump station and sanitary sewer lift station. He stated that the sanitary sewer lift station construction plans were approved by both Harris County and the City of Houston for approval. Mr. Gaez noted that BGE is working to obtain agency approvals for the storm sewer pump station construction plans.

b. Capacity Requests

1. **El Dorado Tracks:** Mr. Gaez reported that the developer is proceeding with the property platting process.

2. **Rex Road Office Warehouse (19 Annexation):** Mr. Gaez reported that he received the comment from Si and will present the information to the developers.

c. New Clarifier: Mr. Gaez reported that there are no new updates.

d. BGE Authorized Projects:

1. **Water Plant No. 1 GST Replacement:** Mr. Gaez reported that the tank has been demolished and the tank ring wall is scheduled to be poured the week of February 18, 2019. He presented Pay Estimate No. 2 in the amount of \$10,550.25.

e. **COH / County Projects**

1. **COH Southeast Transmission Line (surface water line):** Mr. Gaez reported that there are no new updates.

Mr. Wilson reported that he discussed the April 1, 2019 cash call with the City of Houston. He stated that the City is discussing an appropriate timeline for payment.

f. **Additional Items**

1. **Water Plant No. 1 Annual Tank Inspection:** Mr. Gaez reported that BGE submitted the inspection reports to Si for review.

Mr. Gaez reported that the Cathodic Protection system's rectifier unit for the 440,000-gallon ground storage tank is defective and needs replacement. He reported that he received a quote in the amount of \$1,320 from Farwest Corrosion Control Company for the system to be evaluated and a basic repair, a copy of which is attached hereto as *Exhibit "E-1."* Mr. Gaez stated that if the damage is significant, he will provide an additional proposal before completing any work. 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 proposal in the amount of \$1,320 from Farwest Corrosion Control Company.

Mr. Wilson reported on the Harris County Flood Control District maintenance issue, noting that there is no documentation on the ownership of the property in question. He requested that the Board approve a title search. 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 authorize BGE to proceed with a title search.

Mr. Gaez presented the Bond Application Report, a copy of which is attached hereto as *Exhibit "E-2."* Mr. Wilson stated that a copy of the report needs to remain at the District Administration Building for public review. Director Longoria stated that he will keep a copy in the office.

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 Pay Estimate No. 2 in the amount of \$10,550.25.

9. **Park and Recreational Facility Report.** Mr. Dillard presented to and reviewed with the Board the oral Park and Recreational Facility Report for January 2019. He reported that it was a very wet month.

Mr. Dillard reported that he contacted pest control and received a quote to remedy the current issues with pests that the District is experiencing. He stated that he is still in negotiations with the company as they quoted him \$6,000 for one month. Discussion ensued regarding the issues with nutria. The Board did not take any action.

10. **Sewage Treatment Plant Operations Report.** Mr. Gaez reported that he will be meeting with them to discuss the Capital Improvement Plan charges from 2006 that was billed to the District. Discussion ensued regarding the high bill and the payment period of three years.

11. **Southeast Water Plant Report.** There was no discussion on this item.

12. **Discuss Maintenance of District Facilities and approve sprinkler system maintenance agreement.** Director Squires inquired on the sprinkler system maintenance agreement. Mr. Gaez reported that he will follow up with the agreement.

Director Squires reported that he received a proposal to replace the carpet and paint in the amount of \$15,670. Discussion ensued regarding the items included in the proposal. 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 proposal in the amount of \$15,670.

The Board then discussed the repairs to the roof.

13. **Discuss Harris County Flood Control District Maintenance and take any necessary action.** This was discussed in Engineer's Report.

14. **Ratify removal of 134 acre tract in Blackhawk CCN.** 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 ratify the approval of the removal of the 134 acre tract in the Blackhawk CCN.

15. **Ratify Order Calling Bond Election.** Mr. Wilson reported that the motion to adopt the Order Calling the Bond Election had to be ratified as the previous agenda item was not available in the required languages. 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 ratify the adoption of the Order Calling Bond Election.

16. **Discuss Joint Election Agreement with Harris County.** Mr. Wilson noted that NRF received the Agreement, but not the final cost breakdown. He stated that he will present the Agreement for approval upon receipt of the final cost breakdown.

17. **Other Matters.** The President recognized Mr. Thornhill, who presented to and reviewed with the Board the delinquent tax report, a copy of which is attached hereto as *Exhibit "F."* He reported that out of the nine outstanding accounts, one account paid in full, five payment plans were offered, one account was in bankruptcy, and there was an issue with a name change on another one of the accounts. Mr. Thornhill reported that no action was needed at this time.

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 March 19, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

