

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 20, 2018

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 special session, open to the public, at 2300 Pilgrims Point, Webster, Texas, on Tuesday, March 20, 2018, 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 Director Longoria. Also attending all or parts of the meeting were Mr. Nelson Gaez of Brown & Gay Engineers, Inc. (“BGE”), engineers for the District; Mr. Chris Wilson of Si Environmental (“Si”), operators for the District; Ms. Vickey Sullivan of Equi-Tax, Inc., tax assessor and collector for the District; Ms. Kandy Pfeffer of ETI Accounting Services (“ETI”), bookkeeper for the District; Mr. Tom Dillard of Champions Hydro-Lawn, Inc. (“Champions”); Mr. Tom Hoff of the Forest Bend Fire Department; Mr. R.E. Smith of Ellis Business Park; Mr. Raymond Beers of NTP Wireless; Mr. Cullen Raska of Lake Management Services LP (“Lake Management”) and Mr. Reginald Wilson and Ms. Erika Smiley 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. **Minutes.** The Board considered the regular minutes of February 20, 2018, copies of which was previously distributed to the Board. Upon motion by Director Mendez, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve regular minutes of February 20, 2018.
3. **Presentation from T-Mobile regarding space for cellular equipment.** President Squires recognized Mr. Beer, who discussed with the Board leasing space, on behalf of T-Mobile, on the water tank at 16615 Hope Village Road for cellular equipment placement. Discussion ensued. The Board requested Mr. Beer present a formal written proposal for review. Mr. Beer stated that he would follow up with Mr. Gaez to address the District’s concerns.
4. **Authorize Delinquent Tax Attorney contract.** Mr. Wilson reported that the contract with the delinquent tax attorney is evergreen, and unless it is terminated by the Board,

will automatically renew. Upon motion by Director Klenk, seconded by Director Mendez, after full discussion and the question being put to the Board, the Board voted unanimously to continue with the delinquent tax attorney contract.

5. Forest Bend Fire Department Report. Mr. Hoff stated that there were four false alarms, three structure fires and one gas leak in February. He noted that the department responds to 94.5% of calls in under eight minutes.

6. Clear Lake Emergency Medical Corps Report (“CLEMC”). President Squires reported that CLEMC runs have increased compared to 2017. He also stated that CLEMC has not had any income for the past three months since changing billing companies.

7. Tax Assessor and Collector’s Report. Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector’s Report for February 2018, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of February 28, 2018, the District has collected 95.9% of taxes for 2017.

Ms. Sullivan reviewed requests from Susan Clingman, Laura Petty, Wendy Haslund, and Yu Ruixiang for penalty and interest waivers. Discussion ensued.

Upon motion by Director Mendez, 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 presented for approval, and the requests for penalty and interest waivers.

Director Swinney entered the meeting at this time

8. Bookkeeper’s Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper’s Report for February 28, 2018, the 2018 Energy Usage Report, the Budget for fiscal year ending December 31, 2018, and the Investment Report, copies of which are attached hereto as *Exhibit C*.

Upon motion by Director Klenk, seconded by Director Klenk, 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.

9. 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 February 2018, a copy of which is attached hereto as *Exhibit D*.

Mr. Wilson reported on February repairs and maintenance for the water system, sanitary sewers, lift stations, and the water plant.

Mr. Wilson reported on 16814 Selder Drive and 16231 Constitution Lane, stating that the areas were excavated down to the main and leaking short taplines were replaced. He noted that both areas were cleaned and backfilled.

Mr. Wilson reported that the District had 25 landscaping replacement jobs.

Mr. Wilson reported on 17318 Heritage Bay, stating that Si attempted to televise a sanitary line but found a pipe was out of round. He stated that a section of fence was removed to gain access the backyard. Mr. Wilson noted that the area was excavated down and a break in the six inch lateral line. Mr. Wilson reported that the area was backfilled and cleaned.

Mr. Wilson reported that the landscaping at 16923 Serenity Cover was replaced after sanitary sewer line repair.

Mr. Wilson reported on the St. Lawrence lift station. He stated that the lift station generator had a weak battery and a new one was purchased and installed. Mr. Wilson reported that the pumps were pulled to remove debris. He stated that the amps were running high and because the pump is under warranty, the vendor was contacted. Mr. Wilson reported that the RMS battery at the lift station was low and a new one was purchased and installed. He noted that Si performed preventative maintenance on generators.

Mr. Wilson reported on the Fife Lane Water Plant. He stated that the CI2 injection point was checked and found it was cracked. He stated that a new part was ordered and replaced. Mr. Wilson reported that valves and fittings that froze in January were replaced. Mr. Wilson reported that two new batteries for the generator were purchased and installed. He stated that booster pump no. 4 was isolated and taken to the shop for repairs. Mr. Wilson reported that the GST was unbolted so the cathodic protection contractor could gain access. He stated that the GST was filled, the door was reinstalled and the tank was put back online.

Mr. Wilson reported that preventative maintenance was performed on the generators.

Mr. Wilson reported that the current SCADA System is out of date and Si is working with BGE to draft the District's options.

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 Operations Report and execute the delinquent list.

10. Discuss and take any necessary action regarding the First Billing payment agreement. President Squires recognized Mr. Wilson, who presented to and reviewed with the Board the First Billing Payment Services Agreement, a copy of which is attached hereto as *Exhibit E*. Mr. Wilson stated that NRF has reviewed the contract. Upon motion by Director Mendez, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve the agreement with First Billing Services.

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 F*, and which follows in substantially the form it was presented:

a. Commercial Reviews

1. **Beamer Villas:** Mr. Gaez reported that the sanitary sewer lift station and storm sewer pump station plans are being prepared for resubmission to public agencies for approval.

2. **Twenty Second Annexation (Ellis Business Park/R.E. Smith Tract):** Mr. Gaez reported that public utility construction is complete.

Mr. Gaez stated that the developers of the TCH Drillers Building and Yard have submitted plans for review. He noted that BGE has requested a plan review deposit and is awaiting confirmation of deposit prior to reviewing the plans.

3. **4402 Rex Road (Lockridge Packaging):** Mr. Gaez reported that BGE is awaiting revised construction plans.

b. Capacity Requests: No new requests.

1. **Heritage Park Crossing:** Mr. Gaez reported that Adico, LLC has submitted a capacity request to serve a proposed commercial/retail development consisting of two buildings with a proposed total of 19.4 equivalent connections. It was the consensus of the Board to defer this item.

c. City of Houston WWTP Capacity: Mr. Gaez reported the purchase agreement package was approved by the Houston City Council on December 6, 2017. Mr. Wilson stated that NRF is working on obtaining signatures.

d. New Clarifier: Mr. Gaez reported that construction work is complete and the contractor is working on punchlist items.

e. BGE Authorized Projects:

1. **Lift Station No. 1 (St. Lawrence) Rehabilitation:** Mr. Gaez reported that construction is ongoing and the contractor has installed new hatches and safety grating. He stated that Pay Estimate No. 2 in the amount of \$51,002.15 has been reviewed and submitted for payment.

f. City of Houston/County Projects

1. **City of Houston-east Transmission Line:** Mr. Gaez reported that there are no new updates.

g. Additional Items

1. **Water Plant No.1 Welded Tank Cathodic Protection Anode Replacement:** Mr. Gaez reported that Cathodic protection anodes were installed on February 14, 2018. He stated that Change Order No. 1 in the amount of \$565 is for costs related to electrical work requires for the installation of the cathodic protection, has been reviewed and submitted for payment.

2. **Authorization of Design for the Water Plant No. 1 bolted ground storage tank replacement:** Mr. Gaez reported that BGE is currently designing the project.

3. **1.5 Acre Tract 0 Rex Road:** Mr. Gaez reported a developer is contemplating the purchase of 1.5 acres out of a 19.4 acre parcel located north of Heritage Park Section 17 along Rex Road. He stated the 19.4 acre tract was annexed into the District in 2014. Mr. Gaez reported that the process for obtaining capacity from the District was explained to the developer and plans for utilities in the vicinity were provided.

4. **HCFC D Service Request 005656:** Mr. Gaez reported a slope failure on the west bank of Flood Control Ditch A 114-00-00 was reported for repair on March 12. He stated that a failure was located behind 17203 Grey Mist Drive.

Upon Motion by Director Mendez, 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, Pay Estimate No. 2 in the amount of \$51,002.15, Change Order No. 1 in the amount of \$565.00.

12. Approve SB 625 Filing. Mr. Wilson reviewed with the Board the Special District report filing. He reported that state law now requires annual filing of financial information with the Texas Comptroller of Public Accounts. Mr. Wilson stated that NRF has made this filing on behalf of the District.

13. Park and Recreational Facility Report. Director Klenk provided an update regarding the fish in the pond.

Mr. Dillard reported that the District mowing will occur every two weeks.

Mr. Raska presented to and reviewed with the Board the two proposals for fountain installation, a copies of which are attached hereto as *Exhibit G*. Discussion ensued.

Mr. Raska noted that proposal A is for the Otterbine fountain and AquaMaster Lights and has a cost of \$19,062.25. He stated that proposal B only has the Otterbine fountain and has a cost of \$15,484.75.

Upon motion by Director Klenk, seconded by Director Mendez, after full discussion and the question being put to the Board, the Board voted, with three Directors voting in favor, and Director Swinney voting nay, to approve the Otterbine fountain proposal in the amount of \$15,484.75.

14. Sewage Treatment Plant Operations Report. President Squires reported that there were no new updates.

15. Southeast Water Plant Report. President Squires reported that there were no new updates.

16. Discuss and take any necessary action regarding additional law enforcement. President Squires reported on the costs associated with adding another deputy. Discussion ensued. It was the consensus of the Board to defer this item until the April meeting.

17. Discuss Maintenance of District Facilities. President Squires reported the Fire Department's bay door was broken. He reviewed proposals for door replacement with the Board. Discussion ensued. Upon Motion by Director Mendez, seconded by Director Klenk after full discussion and the question being put to the Board, the Board voted unanimously to authorize \$14,600.00 for door replacement.

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 _____.

President, Board of Directors

ATTEST:

Secretary, Board of Directors