

MINUTES OF MEETING OF BOARD OF DIRECTORS  
May 15, 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, May 15, 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. 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 Hoff of the Forest Bend Fire Department; Mr. Byron Mullen, resident of the District; 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.** Mr. Mullen stated that manhole covers are causing cracks in local sidewalks. He noted that many seniors have fallen and injured themselves and Harris County has repaired five of the county-owned manholes. Mr. Mullen requested the Board address the District-owned manholes. President Squires stated that the District has noticed the manhole issues and has directed Mr. Wilson to review the manholes and provide the Board with a cost estimate.

**2. Minutes.** The Board considered the regular minutes of April 17, 2018, copies of which was previously distributed to the Board. 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 approve regular minutes of April 17, 2018.

**3. Discuss and Take any necessary action regarding the cellular equipment proposal.** The Board discussed the request to lease space on the water tank at 16615 Hope Village Road for cellular equipment placement. Mr. Wilson stated that there were not any legal concerns. Mr. Gaez stated that Mr. Beer answered all of his questions. Upon motion by President Squires, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to deny the request to lease space on the water tank.

**4. Forest Bend Fire Department Report.** Mr. Hoff reported that there were 57 runs during the month of April. He noted that he is working on replacing department gear using grant funds.

**5. Clear Lake Emergency Medical Corps Report (“CLEMC”).** President Squires reported that CLEMC had 97 runs over the months of March and April.

**6. Tax Assessor and Collector’s Report.** Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector’s Report for April 2018, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of April 30, 2018, the District has collected 97.9 of taxes for 2017.

Upon motion by Director Swinney, seconded by Director Mendez, 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.

**7. Bookkeeper’s Report and Investment Report.** Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper’s Report for April 30, 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 Swinney, seconded by Director Mendez, 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.

**8. Review Investment Policy and accept related party disclosures.** The Board reviewed a Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the “Investment Policy Resolution”) and related disclosures under the Public Funds Investment Act, copies of which are attached hereto as *Exhibit D*. Mr. Wilson discussed suggested changes to the Investment Policy in compliance with Legislative requirements. Upon motion by Director Swinney, seconded by Director Mendez, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Investment Policy Resolution, and to accept the related party disclosures.

**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 April 2018, a copy of which is attached hereto as *Exhibit E*.

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

Mr. Wilson reported on 2510 El Dorado, stating that a mainline break was found, traffic control was set up and the main was excavated. He stated that the repair was made and the areas were backfilled. Mr. Wilson reported that Si filled the remainder of the hole with select fill to expedite sidewalk replacement. He stated that the street was washed down after repairs.

Mr. Wilson reported on 17719 Heritage Cove Court and 2902 Plymouth Colony, stating that new hydrants were replaced because parts in the old units failed or were unavailable. He stated that debris was hauled off and concrete was replaced.

Mr. Wilson reported on 2150 Pilgrims Point, stating that a leaking U-branch was replaced and the area was cleaned and backfilled.

Mr. Wilson reported that a subcontractor replaced missing hydrant reflectors throughout the District.

Mr. Wilson reported on 17611 Plymouth Colony, 17719 Heritage Cove, 2514 Cobblers Way, 4946 Shady Oaks, 2158 Pilgrims Point, and 3410 Waterwind Court, stating that landscaping was replaced after waterline repair.

Mr. Wilson reported that 22 valve survey repairs were made.

Mr. Wilson reported on storm sewer repairs at 2166 Pilgrims Point, stating that the main was televised and an offsite on the pipe was found. He stated that Si started the repair.

Mr. Wilson reported on the Signal Hill Lift station, stating that pump no. 3 was reinstalled. He stated that the ditch around the area was cut to allow areas around the site to drain. Mr. Wilson reported that the area was landscaped and graded.

Mr. Wilson reported on the St. Lawrence lift station, stating that pump no. 2 was reinstalled after warranty repairs. He stated that the pump was rewired after the contractor removed the bypass.

Mr. Wilson reported that an air relief valve was purchased and replaced at the Fife Lane Water Plant.

Mr. Wilson presented to and reviewed with the Board the Consumer Confidence Report, a copy of which is attached to Operations Report. 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 consumer confidence report.

Upon Motion by Director Swinney, econded by Director Mendez 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. Approve Consumer Confidence Report.** This item was addressed under the operations report.

**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 developer is working on updating the signatures for the storm pump station and sanitary sewer lift station. He stated that the subdivision plat was submitted to the City of Houston (“COH”) for recordation on May 2.

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

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

**b. Capacity Requests:**

1. **El Dorado Tracts.** Mr. Gaez reported that BGE has notified the developer that the capacity request has been deferred until the additional capacity at the Blackhawk plant is secured.

2. **Heritage Park Crossing.** Mr. Gaez reported that the developer has submitted a capacity request on March 14 to serve a proposed commercial/retail development consisting of two buildings with a proposed total of 19.4 equivalent connections. He stated that the developer has requested the District’s consider the capacity request because the bank requires a capacity reservation for the approval of the loan.

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 the capacity request.

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

**d. New Clarifier:** Mr. Gaez reported that construction work is complete.

**e. BGE Authorized Projects:**

1. **Water Plant No. 1 GST Replacement:** Mr. Gaez stated that the project is under design.

2. **Lift Station No. 2 (St. Lawrence) Rehabilitation:** Mr. Gaez stated that the coating of wet well and valve vault is complete. Mr. Gaez requested the Board approve a pay estimate no. 4 in the amount of \$41,661.00.

**f. City of Houston/County Projects**

1. **City of Houston-east Transmission Line:** Mr. Gaez reported that a copy of the latest South East Transmission Line contract exhibit package was forwarded to BGE for review. He stated that the document shows that the District's share of the transmission line will be \$9,122,131.00.

**g. Additional Items**

1. **Submittal of Annual GCA Industrial Waste Survey:** Mr. Gaez reported that the GCA Industrial waste survey was completed and submitted a to the GCA prior to May 3, 2018.

2. **GCA December 2017 Waste Water Invoice:** Mr. Gaez reported that the May 2 field meeting with the GC Awa canceled because their operator has identified a sensor design problem which is suspected to be causing high meter readings. He stated that GCA will be replacing the sensors and is going to conduct additional dye testing to ensure that there is no infiltration into the District's sanitary sewer system at the Harris County Flood Control channel crossing.

Upon Motion by Director Mendez, seconded by Director Mendez after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, approve pay estimate no. 4 in the amount of \$41,661.00.

**12. Approval resolution requesting approval of the use of Surplus Funds.** Mr. Nelson presented to and reviewed with the Board, the Application for Approval by TCEQ for use of Surplus Funds, a copy of which is attached hereto as *Exhibit G*. Upon motion by Director Swinney, seconded by Director Mendez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Application for Approval by TCEQ for use of Surplus Funds to be filed by BGE.

**13. Park and Recreational Facility Report.** Director Klenk reported on the fountain installation, stating that the conduit was extended 37 feet.

**14. Sewage Treatment Plant Operations Report.** This was discussed under item no. 9.

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

**16. Qualify Directors and Election of Officers** Certificates of Election were presented for those candidates elected to the Board: Directors Squires, Longoria and Mendez. 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 accept the Certificates of Election for Directors Squires, Longoria and Mendez, copies of which are attached hereto as *Exhibit H*. It was noted that all of the elected individuals executed the necessary Statement of Officer and Oath of Office qualifying them to serve as a Director. It was the consensus of the Board to retain the current slate of officers.

**17. Discuss Maintenance of District Facilities.** Director Klenk reported that he received two quotes for fence repair that range from \$6,500 to \$10,000. He stated that he is awaiting additional quotes from other vendors.

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 \_\_\_\_\_.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors