

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 18, 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, April 18, 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 Swinney. 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. Josh Rambo of McCall Gibson Swedlund Barfoot PLLC, auditors for the District; Mr. Raymond Beers of NTP Wireless; 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 March 20, 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 March 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. Mr. Gaez noted that he did not foresee any major concerns outside of public perception. President Squires inquired about radio frequency interference. Mr. Beer stated that there will be enough distance between the structures as not to interfere with District frequencies. It was the consensus of the Board to have Mr. Beer submit a deposit for a feasibility study.

4. Approve Audit for FYE 2017. Mr. Rambo presented to and reviewed with the Board the District's audit for the fiscal year ending December 31, 2017, a copy of which are attached hereto as *Exhibit B*.

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 the audit for fiscal year ended December 31, 2017.

5. Continuing disclosure Report. Mr. Wilson requested the Board to approve the filing of Continuing Disclosure Materials that will be prepared and filed by NRF. 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 preparation and filing Continuing Disclosure Materials on behalf of the District.

6. Forest Bend Fire Department Report. Mr. Hoff reported that there were 53 calls during the month of March and fire truck bid was awarded. He stated that the bay doors have been ordered and installation should be complete by mid-May.

7. Clear Lake Emergency Medical Corps Report ("CLEMC"). President Squires reported that CLEMC had 84 runs over the months of February and March. He stated that the average response time is approximately eight minutes.

8. Tax Assessor and Collector's Report. Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report for March 2018, a copy of which is attached hereto as *Exhibit C*. Ms. Sullivan reported that as of March 31, 2018, the District has collected 97.5% of taxes for 2017.

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 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.

9. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for March 31, 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 D*.

Director Klenk noted that the Gulf Coast Waste Disposal nDecember invoice is unusually high. Discussion ensued. Mr. Gaez reported that he and Si have planned a meeting on May 2, 2018, to review the meter readings and invoice amounts. The Board directed BGE to prepare a smoke testing quote.

Upon motion by Director Longoria, 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.

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

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

Mr. Wilson reported on 17611 Plymouth Colony and 2514 Cobblers Way, stating that a section of sidewalk was removed and a leaking tapline was replaced. He noted that the area was backfilled and cleaned.

Mr. Wilson reported on 15825 Hope Village, stating that the area was excavated down to the main and the leak was repaired. He noted that that area was cleaned and backfilled.

Mr. Wilson reported on 3410 Waterwind Court, stating that the area was excavated down to the main and failed valve bolts were replaced.

Mr. Wilson reported that a fire hydrant at 17726 Heritage Cover Court was not operating properly. He stated that a new stem was ordered, installed and put back on line.

Mr. Wilson reported concrete and landscaping was replaced after waterline repair at 16231 Constitution Lane.

Mr. Wilson reported that concrete was replaced after waterline repair at 17611 Plymouth Colony.

Mr. Wilson reported that debris was hauled off after waterline repair at 17719 Heritage Cove Court.

Mr. Wilson reported that Si replaced landscaping after waterline repair at 15825 Hope Village Road.

Mr. Wilson reported that concrete was removed from the bottom of the manhole at 17803 Heritage Colony. He stated that the manhole was resealed.

Mr. Wilson reported that Si repaired a manhole ring and sealed joints at 15834 Pilgrim Hall.

Mr. Wilson reported that Si broke out a section of sidewalk and set the manhole to grade at 15706 Pilgrim Hall.

Mr. Wilson reported that Si checked the Signal Hill Lift station because the RMS was not operating properly. He stated that a problem was found on the phone line and the phone company was contacted for repair.

Mr. Wilson reported on the Fife Lane water plant stating that the starter on booster pump no. 3 was replaced. He noted that booster pump No. 4 was reinstalled after repairs. Mr. Wilson reported that the well motor was reinstalled after repairs.

Mr. Wilson reported on the District's SCADA system, noting that the replacement and update of the control panel equipment and software has an estimated cost of \$20,000. Discussion ensued. Mr. Wilson noted that a larger screen size would increase the estimated cost. It was the consensus of the Board request the use of surplus funds for the SCADA updates at the May meeting.

Upon Motion by Director Mendez, 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 execute the delinquent 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 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 is scheduled to be submitted to the City of Houston ("COH") for recordation for the week of May 10th.

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 the District received a capacity request from Prosperity Plaza LP to serve approximately 173 connections for a multi-use development on. He stated that the proposed development will consist of an active adult retirement center, fast food restaurant, bank, multifamily development, townhomes and retail. Discussion ensued regarding approval of capacity request from Prosperity Plaza, LP. It was the consensus of the Board to review the capacity request after the District receives additional capacity.

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.

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

e. **BGE Authorized Projects:**

1. **Water Plant No. 1 GST Replacement:** Mr. Gaez stated that the project is under design. He anticipates having the plans submitted to agencies for review at the beginning of May. Mr. Gaez requested the Board approve a proposal from Tolunay Wong Engineers, Inc., in the amount of \$9,700 to perform a geotechnical study at the water plant site.

2. **Lift Satation No. 2 (St. Lawrence) Rehabilitation:** Mr. Gaez stated that the coating of wet well and valve vault is complete. He stated that the contractor is scheduled to coat the generator this week. Mr. Gaez requested the Board approve a pay estimate no. 3 in the amount of \$13,500.00.

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 andoes installation is complete.

2. **HCFCFCD Service Request 005656:** Mr. Gaez reported that Si identified a water main leak in the vicinity of the slope failure located along the west bank of the Harris County Flood Control channel.

3. **Submittal of Annual GCA Industrial Waste Survey:** Mr. Gaez reported that the GCA has submitted a request for the completion of the annual Industrial Waste Survey. BGE will work with Si Environmental to complete and submit the survey to the GCA prior to May 15, 2018.

3. **GCA December 2017 Waste Water Invoice:** Mr. Gaez reported that a site meeting with the GCA is scheduled for May 2 to discuss the District's sanitary sewer infrastructure and the high usage reported in the December 2017 invoice.

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, approve the proposal from Tolunay Wong Engineers, Inc. in the amount of \$9,700 to perform a geotechnical study at the water plant site, and pay Estimate No. 3 in the amount of \$13,500.

12. **Ratification Approval of Surplus application.** 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 Mendez, seconded by Director

Klenk, 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. There was no discussion on this item.

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

15. Southeast Water Plant Report. President Squires reported that the District received the preliminary 2019 budget from the COH. He stated that water rates have decreased. President Squires reported that the COH provided a capital improvements invoice for the years 2013 through 2017. He stated that the District's portion is approximately \$347,000.

16. Discuss and take any necessary action regarding additional law enforcement. There was no discussion on this item.

17. Discuss Maintenance of District Facilities. Director Klenk reported that the District received a proposal for fence repair and another should be submitted this week.

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