

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 19, 2017

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, December 19, 2017, 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 Ms. Keli Schroeder 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; 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 meeting minutes of November 21, 2017, a copy 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 the regular meeting minutes of November 21, 2017.
3. **Forest Bend Fire Department Report.** Mr. Hoff stated that the new reporting system is installed and operational.
4. **Clear Lake Emergency Medical Corps Report (“CLEMC”).** Director Swinney reported that CLEMC will move into the new location before January.
5. **Tax Assessor and Collector’s Report.** Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector’s Report for November 2017, a copy of which is attached hereto as Exhibit “B”. Ms. Sullivan reported that as of November 30, 2017, the District has collected 6.4% of taxes for 2017.

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

6. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for November 30, 2017, the 2017 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 Mendez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the budget for fiscal year ending December 31, 2018.

Director Klenk inquired about check no. 1943 to Gulf Coast Waste Disposal Authority in the amount of \$107,780.34. Ms. Pfeffer stated that she would review the payment and provide the Board with an update. It was the consensus of the Board to hold check no. 1943 to Gulf Coast Waste Disposal Authority subject to the Board's review.

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

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 November 2017, a copy of which is attached hereto as Exhibit "D".

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

Mr. Wilson reported on 4326 Alysheba, stating that Si removed sections of sidewalk and excavated down to the main. He stated that a leaking tapline was replaced and the area was cleaned and backfilled.

Mr. Wilson reported that Si dug up a meter box and replaced a leaking U-branch at 16706 Manowar and at 2810 Virginia Colony.

Mr. Wilson reported that Si removed sections of sidewalk and replaced a leaking tapline at 2919 Early Turn and at 16207 Quite Canyon. He stated that both areas were cleaned and backfilled.

Mr. Wilson reported that Si made repairs on 11 hydrants according to inspection report.

Mr. Wilson reported that a subcontractor replaced meters that were not registering properly at 2801 Bay Area and 2701 Bay Area.

Mr. Wilson reported on 16006 Surrey Woods, stating that because Si was unable to get the backhoe in the back yard, the operators had to hand dig to repair the sanitary line.

Mr. Wilson reported on the St. Lawrence Lift Station, stating that the diesel technician found a bad circuit board in the transfer switch. He stated that Cummins was contacted and the circuit was replaced. Mr. Wilson noted that pumps were pulled and debris was removed.

Mr. Wilson reported that pumps were pulled and debris was removed at the Signal Hill Lift Station.

Mr. Wilson reported on the Fife Lane Water Plant, stating that Si found the timer on the air compressor was faulty. He noted that the timer was replaced and the Plant was put back online. Mr. Wilson noted that the failed check valve on the HPT was replaced and air tanks were used as backup.

Mr. Wilson reported on the Planters Way Water Plant, stating that Si found a leaking clamp. He noted the clamp was tightened down and the leak was stopped.

Mr. Wilson reported that the valve survey repairs were approved by the Board at last month's meeting.

It was the consensus of the Board not to terminate delinquent accounts this month.

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.

8. Engineer's Report. Ms. Schroeder 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:** Ms. Schroeder reported that BGE is waiting on revised subdivision plans from the developer. She stated that the plat has been approved by the city of Houston and is waiting on recordation. Ms. Schroeder reported that the Beamer Villas Lift Station plans have been approved by Harris County and the City of Houston.

2. **Twenty Second Annexation (Ellis Business Park/R.E. Smith Tract):** Ms. Schroeder reported that public utility construction is complete. She stated that the contractor is addressing coating deficiencies found at the force main discharge manhole during final inspection.

3. **4402 Rex Road (Lockridge Packaging):** Ms. Schroeder reported that BGE is waiting on construction plans for review and plan review deposit.

b. Capacity Requests: No new requests.

c. **City Of Houston WWTP Capacity:** Ms. Schroeder reported that the purchase agreement package was approved by the City of Houston on December 6, 2017.

d. **New Clarifier:** Ms. Schroeder reported that construction work is ongoing.

e. **BGE Authorized Projects:**

1. **Lift Station No. 1 (St. Lawrence) Rehabilitation:** Ms. Schroeder reported that the notice to proceed was issued for November 27, 2017. She requested approval of Change Order No. 1 in the amount of \$4,246.05. Ms. Schroeder reported that the change order covers costs associated with the widening of the valve vault opening and the addition of a safety grate to comply with current OSHA standards. Discussion ensued.

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

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

g. **Additional Items**

1. **District Capital Improvements Plan Update:** Ms. Schroeder reported that the current Capital Improvement Plan was created in 2015. BGE recommend that the District conduct a full plan update to identify upcoming projects. She stated that the update would include site meetings with the Operator at District facilities, identification and cost estimates of projects, and a full report. Discussion ensued. It was the consensus of the Board to have BGE provide the Board with the most recent Capital Improvement Plan.

2. **Water Plant No.1 Welded Tank Cathodic Protection Anode Replacement:** Ms. Schroeder reported that the January 2017 tank inspection report recommends replacing the cathodic protection anodes inside the 840,000 gallon tank to provide adequate coating protection. She stated that the Farwest Corrosion Control Company has submitted a proposal in the amount of \$5,435.00 to install the cathodic protection anodes.

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 Engineer's Report, Change Order No. 1 in the amount of \$4,246.05 and the proposal from Farwest Corrosion Control Company in the amount of \$5,435.00 to install the cathodic protection anodes.

9. Park and Recreational Facility Report. Mr. Dillard presented to and reviewed with the Board the stormwater vector service proposal for the Heritage Park Amenity Pond in the amount of \$8,551.00, a copy of which is attached hereto as Exhibit "F"

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 stormwater vector service proposal for the Heritage Park Amenity Pond in the amount of \$8,551.00.

10. Sewage Treatment Plant Operations Report. President Squires reported that there are no new updates.

11. Southeast Water Plant Report. President Squires stated that budgets for fiscal years ending 2015, 2016, and 2017 were passed.

12. Discuss Maintenance of District Facilities. Director Longoria reported on roof damages.

13. Discuss and take any necessary action regarding the Interlocal Agreement for Law Enforcement Services. Mr. Wilson presented to and reviewed with the Board the Interlocal Agreement for Law Enforcement Services between Harris County and the District, 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 four in favor with Director Swinney against, to approve Interlocal Agreement for Law Enforcement Services between Harris County and the District.

14. Matters pertaining to 2018 Directors Election, including:

a. Resolution Authorizing Publication of Notice of Intent Not to Use and Electronic Voting Machine. Mr. Wilson presented to and reviewed with the Board the Resolution Authorizing Publication of Notice of Intent Not to Use an Electronic Voting System for the 2018 Directors Election, a copy of which is attached hereto as Exhibit "H." Mr. Wilson stated that the notice of exemption from use of electronic voting system must be published in a newspaper in general circulation in the District to comply with the statute.

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 Resolution Authorizing Publication of Notice of Intent Not to Use an Electronic Voting System for the 2018 Directors Election.

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 January 16, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors