

MINUTES OF MEETING OF BOARD OF DIRECTORS  
February 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, February 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 Directors Mendez. 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; and Mr. Neil Thomas, 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.** President Squires reported that there has been an increase in vehicle burglaries. Discussion ensued regarding law enforcement presence between midnight and 6 a.m. It was the consensus of the Board to discuss additional officers for the night shift at the District’s March meeting.

**2. Minutes.** The Board considered the regular minutes of January 23, 2018, copies of which was previously distributed to the Board. Upon motion by Director Squires, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to approve regular minutes of January 23, 2018.

**3. Forest Bend Fire Department Report.** Mr. Hoff stated that fire related calls have increased but nothing was out of the ordinary.

**4. Clear Lake Emergency Medical Corps Report (“CLEMC”).** Director Swinney reported that CLEMC runs have increased compared to 2017.

**5. Tax Assessor and Collector's Report.** Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report for January 2018, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of January 31, 2018, the District has collected 86.5% of taxes for 2017.

Ms. Sullivan reviewed a resident request for a late fee and penalty waiver. Discussion ensued. It was the consensus of the Board to decline the waiver request.

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 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 January 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 C*.

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

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

Mr. Wilson reported on 3026 Heritage House, stating that the tap saddle leaked and was replaced along with the tapline. He reported that the jet trunk washed down the area after the repairs.

Mr. Wilson reported on 17130 Hewing, stating that the area was hand excavated and a leaking U-Branch was replaced. He stated that the landscaping was replaced after the repair.

Mr. Wilson reported on Sailors Moon and Fife, stating that a hydrant was picked up that had been hit by a car and a collision kit was ordered.

Mr. Wilson reported on 2403 Pilgrims Bend and 2530 Cobblers Way, stating that hydrant extension kits were installed.

Mr. Wilson reported on 16923 Serenity Cove, stating that the sanitary sewer line was excavated down to the main and a broken saddle was replaced. He stated that the area was cleaned and backfilled.

Mr. Wilson reported on the St. Lawrence lift station stating that pump no. 2 was pulled because it was tripping a breaker. He stated that the pump was sent back to the vendor and will be repaired under warranty.

Mr. Wilson reported on the Fife Lane water plant. He stated that an overload block for a well failed and a new part was ordered and installed. Mr. Wilson reported that the PLC was checked and a bad relay was found in the SCADA system. He stated that a new part was ordered and installed. Mr. Wilson reported that Si rented an air compressor and aired up the HPT tank. He stated that the HPT tank was water logged and the system pressure was at 80 psi. Mr. Wilson reported that the system was reset and put back into normal operation. He stated that a bad element on booster pump no. 4 was replaced. Mr. Wilson reported that the subcontractor installed a ductless four-ton Mitsubishi air conditioner in the MCC room. He stated that the subcontractor replaced a bad network card in the generator that had failed and caused the unit not to start.

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.

**8. Review Drought Contingency Plan.** There was no action taken on this item.

**9. 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 construction plans are under agency review. He stated that the plat has been approved by the City of Houston and is waiting on recordation. Mr. Gaez 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):** Mr. Gaez reported that the contractor has addressed all coating deficiencies at the discharge manhole found during final inspection. He stated that Pay Estimate No. 2 and final from Alcott Inc. in the amount of \$66,760.10 has been prepared and is presented for approval.

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.

Mr. Gaez stated that the developers for Ellis Business Park Buildings 1 and 2 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 construction plans have been reviewed and comments were issued on January 22, 2018.

4. **Signal Hill Lift Station Rehabilitation Warranty Inspection:** Mr. Gaez reported that the contractor has addressed the coating deficiencies identified during the one-year warranty inspection held on January 22, 2018.

b. **Capacity Requests:** No new requests.

c. **City Of Houston WWTP Capacity:** Mr. Gaez reported the purchase agreement package was approved by the Houston City Council on December 6, 2017. He stated the city is working on obtaining signatures from all participants.

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

e. **BGE Authorized Projects:**

1. **Lift Station No. 1 (St. Lawrence) Rehabilitation:** Mr. Gaez reported that construction has commenced and the contractor has set up bypass pumping. He stated that Pay Estimate No. 1 in the amount of \$31,261.50 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.

2. **Authorization of Design for the Water Plant No. 1 bolted ground storage tank replacement:** Mr. Gaez reported that BGE recommends complete replacement of the existing bolted ground storage tank at Water Plant no. 1.

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 Engineer's Report, Pay Estimate No. 1 in the amount of \$31,261.50, concur with Pay Estimate No. 1 in the amount of \$66,760.10, and authorize BGE to begin design of the bolted ground storage tank replacement.

**10. Park and Recreational Facility Report.** Mr. Dillard reviewed the turtle reduction proposal with the Board. Discussion ensued. It was the consensus of the Board to defer this item.

Discussion ensued regarding the vector service. It was the consensus of the Board to pay the remainder of vector service contract and solicit proposals for remaining work to be performed at a future date.

**11. Sewage Treatment Plant Operations Report.** President Squires reported that the new clarifier is operational.

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

**13. Discuss Maintenance of District Facilities.** President Squires reported the Fire Department's bay door was broken. He noted that the cost to replace the bay door is approximately \$14,600. Discussion ensued. It was the consensus of the Board to solicit proposals for replacement of the bay door.

**14. Discuss and take any necessary action regarding the District's crime bond insurance.** Mr. Wilson stated presented to and reviewed with the Board the crime bond insurance proposal, a copy of which is attached hereto as *Exhibit F*. He noted that the District changed the crime bond limits in 2016 from \$10,000 to \$100,000. Mr. Wilson reported that in 2017, Arthur J. Gallager made an administrative error by charging the District a crime bond limit of \$10,000. He stated that the District had the option to the lower \$10,000 limit or pay a difference of \$221.00 for the \$100,000 limit.

Upon motion by Director Squires, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to increase the crime bond limit to \$100,000 and pay the difference of \$221.00.

**15. Cancel the election and declare under the order that no opposition candidate is elected to the position.** Mr. Wilson stated that the District did not receive any applications for place on the ballot of the 2018 Directors Election, and may take action to cancel the election and declare its candidates unopposed and elected to office. He reviewed with the Board the proposed Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as *Exhibit G*. Upon motion by Director Squires, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Declaring Unopposed Candidates Elected to Office, as presented.

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