

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 21, 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, November 21, 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 except Director 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; 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 October 17, 2017, a copy of which was previously distributed to the Board. 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 regular meeting minutes of October 17, 2017.
3. **Forest Bend Fire Department Report.** Mr. Hoff stated that the new reporting system is installed but not fully operational. He noted that the department is currently testing new bunker gear and a truck committee has been formed to evaluate fire trucks for purchase.
4. **Clear Lake Emergency Medical Corps Report (“CLEMC”).** President Squires reported that CLEMC is finalizing the details on moving to the new location. He also noted that CLEMC has not received any feedback from the bid submitted to the City of Friendswood.

5. Tax Assessor and Collector's Report. Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report for October 2017, a copy of which is attached hereto as Exhibit "B". Ms. Sullivan reported that as of October 31, 2017, the District has collected 99.1% of taxes for 2016.

Upon motion by Director Longoria, seconded by Director Swinney, 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 October 31, 2017 and the 2017 Energy Usage Report, and the Investment Report, copies of which are attached hereto as Exhibit "C".

Ms. Pfeffer reported that the next debt service payment will be made in January.

Ms. Pfeffer reported that TCEQ permit fees for the year will be reflected in next month's invoice.

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

7. Adopt budget for fiscal year ending December 31, 2018. It was the consensus of the Board to hold a special meeting regarding the budget on December 18, 2017 at 6:30pm.

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

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

Mr. Wilson reported that Si replaced meter box lids that were lost due to Hurricane Harvey.

Mr. Wilson reported that the park area around Friendswood Link was excavated to locate the conduit to the power pole. Si pulled the wire and installed weather head per Centerpoint's direction.

Mr. Wilson reported on 2403 Farriers Bend, stating that Si removed sections of sidewalk and replaced a leaking tapline. Si replaced the concrete and landscaping after the repair.

Mr. Wilson reported on 16207 Quiet Canyon, stating that Si excavated down to the waterline and replaced the leaking end of the line blow off.

Mr. Wilson reported on 15818 Contender, stating that Si excavated down to the waterline and replaced the leaking end of the line blow off.

Mr. Wilson reported on 2103 Heratige Colony, stating that sections of sidewalk was removed and a leaking tapline was replaced. Si replaced the concrete and landscaping after the repair.

Mr. Wilson reported that the subcontractor inspected all the hydrants within the District and any missing reflectors.

Mr. Wilson reported that a sanitary sewer line at 2734 Virginia Colony was jetted to clear debris from sag in the line. He stated that heavy buildup was noted.

Mr. Wilson reported on 2215 Tall Ships , stating that the sanitary sewer line was jetted and televised due to backup. Si found issues on the District line. He noted that the area was excavated down to the sanitary line and the repair was made.

Mr. Wilson reported on 16810 Manowar, stating that the line was televised and Si found a break on the District's line. He noted that the area was excavated down to the sanitary line and the failed saddle was replaced.

Mr. Wilson reported on 16846 Carrack Turn, stating that Si investigated sewer backup and found no issues on the District lines.

Mr. Wilson reported on 2702 Pilgrims Point, stating that the sanitary manhole was lowered to grade.

Mr. Wilson reported on the Signal Hill Lift Station, stating that the amps were checked on all motors due to fault and found no issues. He stated that a pump has failed and one of the new level floats had gone bad. Si pulled the pump and took it to the repair shop. He stated that a new float was purchased and replaced. Mr. Wilson stated that pump no. 1 was pulled and debris from pump and check valve.

Mr. Wilson reported on the Blue Mesa Lift Station, stating that the generator battery has failed. Si purchased and replaced the battery.

Mr. Wilson reported on the St. Lawrence Lift Station, stating that pump no. 1 and no. 3 were pulled and debris was removed from the pump and check valve.

Mr. Wilson reported that the fuel vendor filled up tanks at all locations.

Mr. Wilson reported on the Fife Lane Water Plant, stating that Si found a bad air compressor solenoid, a new one was purchased and replaced. He stated that an air compressor from the show was used to fill HPT tanks back up.

Mr. Wilson requested the Board approval of the valve survey repairs. He noted that the repairs have an estimated cost of \$102,000 and an additional \$50,000 in landscaping.

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, to terminate the delinquent accounts in accordance with the Rate Order, and approve the valve survey repairs.

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. **3366 FM 528 Retail Development Capacity Request:** Mr. Gaez reported water meters have been installed. He noted that Si is coordinating the customer service inspection.

2. **Beamer Villas:** Mr. Gaez reported that construction plans are under agency review and the plat has been approved by the City of Houston. Mr. Gaez reported that the Beamer Villas Lift Station plans have been approved by Harris County.

3. **Caliber Collision:** Mr. Gaez reported that the project is complete and Si has conducted the customer service inspection.

4. **Twenty Second Annexation (Ellis Business Park/R.E. Smith Tract):** Mr. Gaez reported that public utility construction is complete and a final inspection was held on November 17. He stated that the contractor is addressing coating deficiencies found at the force main discharge manhole during the field inspection. Mr. Gaez reported that the developer has submitted plans for the proposed TCH building and two of the metal buildings within the business park and a plan review deposit has been requested.

5. **4402 Rex Road (Lockridge Packaging):** Mr. Gaez reported that a capacity availability letter was issued for the development. He stated that property owner is seeking Harris County approval for the construction on an additional building. BGE has requested construction plans for review.

6. **Twentieth Annexation Tract:** Mr. Gaez reported that the developer is looking to purchase the vacant property north of Heritage Park Section 17 to build a light industrial park. He stated that the developer is currently completing the due diligence and feasibility of the tract. BGE informed them of the District's limited capacity. BGE recommends the District's infrastructure be analyzed to determine the available capacity and development's connection points. He stated that a deposit of \$5,000 is needed from the Developer prior to running the analysis.

b. Capacity Requests: No new requests.

c. **City Of Houston WWTP Capacity:** Mr. Gaez reported that the purchase agreement package was approved by the City of Friendswood on September 11, 2017, and it is awaiting on approval from the City of Houston Public Works and Engineering department.

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

e. **Water Plant No. 1 Control building Consolidation:** Mr. Gaez reported that BGE requested proposals from seven contractors for the rehabilitation of the SCADA building and only one contractor has submitted a proposal that includes all items in the project scope. He noted that Clean Seal America Inc., submitted a proposal in the amount of \$34,165.00. It was the consensus of the Board to postpone requesting new proposals for the rehabilitation and direct Si to move forward with requesting proposals for air conditioning.

f. **BGE Authorized Projects:**

1. **Lift Station No. 1 (St. Lawrence) Rehabilitation:** Mr. Gaez reported that the notice to proceed was issued for November 27, 2017.

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

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

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.

10. Park and Recreational Facility Report. Mr. Dillard reported that seeding and fertilization is complete and the trash receptacles will be moved before January. He noted that the storm scepters have not been cleaned out.

President Squires stated that he met with HOA Boards and property managers regarding the Fife and El Dorado parks. He stated that the HOAs are supposed to maintain the parks but no one is qualified to address the issues.

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

12. Southeast Water Plant Report. President Squires stated that there will be a meeting next week and the proposed budget is still under review.

13. Discuss Maintenance of District Facilities. Director Longoria stated that contractors evaluated at the building and the amount of water during Hurricane Harvey and age of the roof could be the reason for the issues. He noted that the Board received roof proposals in the range of \$37,000 to \$50,000 for repair and \$126,000 for replacement.

14. Matters pertaining to 2018 Directors Election, including:

a. Appointment of Agent. Mr. Wilson presented to and reviewed with the Board the Appointment of Agent for the 2018 Directors Election, a copy of which is attached hereto as Exhibit "F." He reported that the Appointment of Agent designates Erika Smiley of NRF as the Secretary's agent to perform ministerial duties as specified in Election Code 31.123 for the 2018 Directors Election.

Upon motion by Director Longoria, seconded by Director Klenk, after full discussion and the question being put to the Board, the Board voted to approve the Appointment of Agent for the 2018 Directors Election.

b. Notice of Deadline to File Applications. Mr. Wilson presented to and reviewed with the Board the Notice of Deadline to File Applications for Place on the Ballot, a copy of which is attached hereto as Exhibit "G". Mr. Wilson stated that the Directors will be able to turn in their applications starting January 17, 2018 through February 16, 2018.

c. 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. Mr. Wilson reported that the District is permitted to hold a directors election without use of an electronic voting machine. It was the consensus of the Board to have NRF provide the cost of using electronic voting machines.

Mr. Wilson presented to and reviewed with the Board a Resolution Casting a Ballot for election to the Harris County Appraisal District Board of Directors, a copy of which is attached hereto as Exhibit "H". Mr. Wilson noted that Michael Keck and Glenn Peters have been nominated. Discussion ensued. 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 a Resolution Casting a Ballot for the election of Glenn Peters to the Board of Directors of Harris County Appraisal District.

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 December 19, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors