

MINUTES OF MEETING OF BOARD OF DIRECTORS

March 18, 2014

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, March 18, 2014 whereupon the roll was called of the members of the Board, to-wit:

Robert L. Squires, President  
Sam Longoria, Vice President  
Billy L. Pate, Secretary  
Richard Klenk, Treasurer  
Gabriel Mendez, Assistant Secretary

All members of the Board were present, except Director Pate. Also attending all or parts of the meeting were Ms. Melinda Salazar and Ms. Melissa Meyer of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. Dusty Lane of Si Environmental ("Si"), operators for the District; Mr. Tom Hoff of the Forest Bend Fire Department; Ms. Vickey Sullivan of Equi-Tax, Inc., tax assessor and collector for the District; Mr. David Ferrier of ETI Accounting Services ("ETI"), bookkeeper for the District; Mr. Neil Thomas and Ms. Carrie Spann of Fulbright & Jaworski LLP ("F&J"), 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. **Minutes.** The Board considered the minutes of the regular meeting of February 18, 2014, and of the special meeting of February 25, 2014, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of February 18, 2014 and of the special meeting of February 25, 2014, as presented.

2. **Ratification of appointment of Director Mendez.** Director Mendez signed the Oath of Office and the Statement of Appointed Officer.

3. **Forest Bend Fire Department Report.** Mr. Hoff presented to and reviewed with the Board the Forest Bend Fire Department report for February 2014. Mr. Hoff reported on the expenses, income, and operations of the Department. Mr. Hoff reported that a new bay heater at Water Station 13 was purchased. Mr. Hoff also stated that instead of purchasing MDT's for vehicles, they purchased tablets for all vehicles and the total cost with active 911 subscription was \$2500.

4. **Clear Lake Emergency Medical Corps Report ("CLEMC").** No report.

5. **Tax Assessor and Collector's Report.** Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report for February 2014, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of February, 2014, the District has collected 96% of its 2013 taxes.

6. **Bookkeeper's Report and Investment Report.** Mr. Ferrier presented to and reviewed with the Board the Bookkeeper's Report for February 28, 2014, the Budget for fiscal year ending December 31, 2014, the 2014 fiscal year Energy Usage Report, and the Investment Report, copies of which are attached hereto as *Exhibit C*. Mr. Ferrier reported to the Board that Bank of New York Mellon is increasing pay agent fees from \$300 to \$750. This affects Bond Series 2003 and 2005. 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 authorize payment of increased pay agent fees for Bank of New York Mellon.

7. **Adopt Order Declaring Unopposed Candidates Elected to Office.** Mr. Thomas presented to and reviewed with the Board the Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as *Exhibit D*. 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 adopt the Order Declaring Unopposed Candidates Elected to Office.

8. **Operations Report, Including Review and Approval of Maintenance Items and Delinquent Report.** Mr. Lane presented to and reviewed with the Board the Operations Report and Maintenance Report for the month of February, 2014, a copy of which is attached hereto as *Exhibit E*. Mr. Lane reported that he completed an inspection on five fire hydrants. During the inspection of the hydrants, he found that there are five driveway aprons that need to be repaired. 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 accept the Operator's Report.

9. **Update on Trial Period of Grundfos Pump at Lift Station No. 1.** Ms. Salazar reported to the Board that the 60-day trial period for the Grundfos Pump ended. The Board recommended that Mr. Lane meet with Ms. Salazar the following week to get a sign-off on the pump.

10. **Engineer's Report.** Ms. Salazar 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:

Engineer's Report, including:

**a. Commercial Reviews:** Ms. Salazar reported that BGE sent a response letter for development of three tracts totaling 21.5 acres at the intersection of El Dorado Blvd and Beacon's View Road. She stated that BGE has not received a response.

**b. Beamer Villas:** Ms. Salazar reported that Mr. Sel Thint has contacted BGE and has stated that the LID concept has been abandoned and that they have returned to the

original design for Beamer Villas. Mr. Thint sent revised plans to Ms. Salazar and Ms. Meyer have since reviewed them and returned them with comments.

Ms. Salazar reported that BGE has received agency comments on the sanitary sewer lift station plans from the City of Houston and HCPID, and that copies of agency comments on the sanitary sewer lift station have been provided to the developer. Ms. Salazar stated that comments regarding the force main are being addressed in the developer's plans, and that agency comments on the underground utilities will be provided by the developer in the future to facilitate addressing comments.

**c. Rex Road Tract Agreement:** Ms. Salazar reported that they have completed the engineering portion of the annexation application and surveys, and will be forwarding these to the attorney this week.

**d. Ongoing Projects:** Ms. Salazar reported on the status of projects from the Bond application:

1. St. Lawrence Lift Station – Force Main Rehabilitation: Ms. Salazar stated that BGE is coordinating on Cured in Place Pipe (CIPP). Topography is complete and they are working on the design.

2. Elevated Storage Tank Coating: Ms. Salazar reported that design has not yet begun.

3. Replace Water Plant 1 210,000 gal Ground Storage Tank: Ms. Salazar reported the inspection of the interior of the tank has been completed. The ground storage tank should be okay to keep in place for a few years. Ms. Salazar recommends that the roof vent and the hatch be replaced as part of the recoating project at water plant No.1.

4. 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 replace the roof vent and the hatch as part of the recoating project at water plant No. 1.

5. Rex Road Utility Expansions: Ms. Salazar reported that they are coordinating the expansion.

6. Water Well 2/Elevated Storage Tank-Gas Generator: Ms. Salazar reported that the design is process, and that they are coordinating on electrical service to the generators. the new service type.

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 authorize engineer to advertise bidding on the project.

7. Recoating of Water Plant No. 1: Ms. Salazar reported that she is reviewing submittals for the project, the anticipated notice to proceed is March 31<sup>st</sup>.

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 Engineer's Report.

11. **Park and Recreational Facility Report.** Ms. Talley presented to and reviewed with the Board, the Park and Recreational Facility Report, a copy of which is attached hereto as *Exhibit G*, and which follows in substantially the form it was presented:

Park and Recreational Facility Report, including:

a. **Overall Appearance:** Ms. Talley reported that spring green-up has started, and that while clover not as dense but still no visible slope slippage.

b. **Landscape Maintenance in Basin:** Ms. Talley reported that it will be necessary to make sure our mowing is tuned into the rain cycle as there is some degradation of the slope that does make it vulnerable. Also, if clovers and wild flowers (forbes) are left to make seed, there will be a stronger meadow next year.

c. **Sustainable Growth of Texas:** Ms. Talley reported that in early December a dry mineral application was completed. TLA will continue to monitor and photo-document the slopes and vegetative cover until there is permanent landscape and irrigation development.

d. **Lake Maintenance:** Ms. Talley reported that there has been no further degradation or fish kills in the lake. There is still approximately \$1,215 in the reserve, to be used if needed (as of August 17, 2012).

e. **Neighborhood and Community Park Annual Monitoring:** Ms. Talley reported that she has obtained quotes from Harper on the labor for the warranted materials. She also solicited additional quotes for play surfacing in the parks. Kraftsman PPE was the only other responder to date.

f. **Other issues:** Ms. Talley reported that there are carpet issues in El Dorado Park. She spoke with the manufacturer and they stated that there is a warranty on the material, but there is not a warranty on the labor. The total expenditure would be approximately \$2200 at this time.

12. **Sewage Treatment Plant Operations Report.** No report.

13. **Southeast Water Plant Report.** No report.

14. **Discuss maintenance of District Facilities.** Mr. Dillard with Hydro-lawn reported that his crew power-washed some graffiti off of bridges and buildings throughout the District. There was discussion of using a portable unit or hydro hose to power wash the graffiti in the future.

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 April 15, 2014.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

