

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 16, 2021

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 16 2021, whereupon the roll was called of the members of the Board, to-wit:

Robert L. Squires, President
Sam Longoria, Vice President
David VanRiper, Secretary
Richard Klenk, Treasurer
Robert Tietz, Assistant Secretary

All members of the Board were present in person, thus constituting a quorum. Also attending all or parts of the meeting in person were Mr. Tom Hoff, of the Forest Bend Fire Department; Mr. Chris Wilson of Si Environmental (“Si”), operator for the District; and Mr. Nelson Gaez of Brown & Gay Engineers, Inc. (“BGE”), engineer for the District; and Mr. Alton Henderson from Windsor EMS, Inc.; Mr. Reginald Wilson and Ms. Kaity Malek of Norton Rose Fulbright US LLP (“NRF”), attorney for the District; Mr. Scott Gray of Champions Hydro-Lawn, Inc. (“Champions”); Ms. Vickey Sullivan of Equi-tax, Inc., tax assessor for the District; and Ms. Jennifer Landreville of ETI Accounting Services (“ETI”), bookkeeper for the District; Ms. Lauren Smith of Public Finance Group, financial advisor for the District; Mr. Cullen Raska of Lake Management Services LP (“Lake Management”); Mr. Jay Joyce of Expergy Generating Solutions; and Deputy Zuba and Deputy Figueroa with the Harris County Sheriff’s Office.

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. Public Hearing on Strategic Partnership Agreement between the District and the City of Houston.** Director Squires stated he reviewed the Strategic Partnership Agreement and found that there were no changes to be made. Upon motion by Director Klenk, seconded by Director Tietz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Strategic Partnership Agreement between the District and the City of Houston.
- 3. Approve Minutes.** The Board considered the minutes of the October 19, 2021 regular meeting and November 2, 2021 special meeting, copies of which was previously distributed to the Board. Upon motion by Director Klenk, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to approve

the minutes of October 19, 2021 regular meeting and November 2, 2021 special meeting, as presented.

4. Forest Bend Fire Department Report. Mr. Hoff reviewed the runs for the month of October. He also reported on the service calls within the month and discussed the October budget activity. Discussion ensued regarding changes to the CAD and the update to the 2022 budget.

5. Windsor EMS, Inc. Report. Mr. Henderson presented to and reviewed with the Board the Windsor EMS, Inc. (“Windsor”) report for October 2021, a copy of which is attached hereto as Exhibit C. Mr. Henderson stated that Windsor's 911 services were requested 81 times with a total of 83 patients. He stated that Windsor responded to 80 of the requests, with an average response time of 5 minutes and 59 seconds, that Medic 18 responded to 76 requests and that Medic 19 Windsor Shoreacers responded to 6 requests. He reported that one Mutual aid was provided by League City. He stated that these calls for service resulted in 47 transports. Mr. Henderson reported that Windsor's response for medic 18 in MUD 55's District was less than 7 minutes and 59 seconds, on 98.68 % of the requests. Discussion ensued.

6. Discuss and authorize requests for District assessed evaluation. Mr. Wilson requested that the Board approve the Resolution Authorizing Request for Certificate of Estimated Assessed Valuation (“Resolution”), a copy of which is attached hereto as Exhibit D. She stated that the assessed valuation will be required when the District issues the Bonds. 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 Resolution.

7. Approve Resolution Approving Preliminary Official Statement; Authorizing distribution of Preliminary Official Statement and publication of a Notice of Sale of the Bonds; and approving other related matters; Authorizing payment of Attorney General bond review fee. Ms. Smith presented to and reviewed with the Board the Series 2022 Unlimited Tax Bond, a copy of which is attached hereto as Exhibit E.

Ms. Smith reviewed with the Board the Unlimited Bond maturities, amounts, interest rates and prices. She reported on the overview of the series as well as the sell and distribution of the bonds. Extensive discussion ensued.

Upon motion by Director Longoria, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Resolution Approving Preliminary Official Statement; (2) authorize the distribution of Preliminary Official Statement and publication of a Notice of Sale of the Bonds.

8. Tax Assessor and Collector’s Report. Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector’s Report, a copy of which is attached hereto as Exhibit F.

Ms. Sullivan reported that for the month of October the District has collected 99.3% of taxes for 2020.

Ms. Sullivan stated there are seven checks being presented for review and approval.

Ms. Sullivan reported on the District's depository pledge report for the month of October.

Ms. Sullivan reported on the SPA Revenue report.

Upon motion by Director VanRiper, 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, to approve the execution of the checks as presented.

9. Bookkeeper's Report and Investment Report. Ms. Landreville presented to and reviewed with the Board the Bookkeeper's Report for October 2021 and the Investment Report copies of which are attached hereto as Exhibit G.

Ms. Landreville reported on the District's general operating funds.

Ms. Landreville stated there are 61 checks being presented for review and approval.

Ms. Landreville reviewed the October investment and capital reports.

Ms. Landreville reported on the District's 2022 proposed budget. She stated that all changes were made as discussed after the special meeting on November 2, 2021. Discussion ensued.

Mr. Joyce presented to and reviewed with the Board the 2021 rate study, a copy of which are attached hereto as Exhibit H. He reviewed the 2015 rate study and compared it to the new rate study that was conducted for the District. He recommends a slight increase to the base rates for residential and commercial water and sewer. He further recommended updating or eliminating the rate order on the website and to note that the irrigation is not on the rate order. Extensive 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 accept the Bookkeeper's Report and the Investment Report, and to approve execution of the checks presented.

Deputy Figueroa discussed with the Board the issues and updates in and around the District. Extensive discussion ensued.

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 October 2021 a copy of which is attached hereto as Exhibit I.

Mr. Wilson reported on the water distribution repairs and maintenance for the month of October stating that Si performed billing/collection activities and responded to customers calls for service.

Mr. Wilson reported that Si replaced 43 meters over 1 million per the meter change out program.

Mr. Wilson reported that, at 16746 Square Rigger, Si replaced concrete and landscaping after a tapline repair.

Mr. Wilson reported that, at 16907 Colony Bend, Si completed landscaping after the repair.

Mr. Wilson reported that subcontractors tested all commercial meters within the District.

Mr. Wilson reported that at 4739 Cavern, Si removed a section of fencing and excavated down to the sewer main, replaced a section of pipe that failed, tied it back to the house line, backfilled and cleaned the area then replaced the fence after the repair.

Mr. Wilson reported that lines were jetted to clear blockage at 2835 Sailors Moon, 2702 W Bay Area Blvd, 3000 FM 528 and 2734 Virginia Colony.

Mr. Wilson reported that Si washed down the manhole and sidewalk at 2710 Sailors Moon.

Mr. Wilson reported on the lift station maintenance for the month of October. He stated that at Signal Hill L3, Si found that a main breaker had failed. He stated that Si ordered a new one and replaced it. He further stated that at Signal Hill L3, on two occasions Si adjusted float levels and put it back in service and that subcontractors replaced the entry gate. He stated that at St. Lawrence L1, subcontractors replaced the entry gate. He stated that at Blue Mesa L2, Si found floats covered with debris keeping pump #1 from shutting off. He stated that they pulled and cleaned the floats and put it back into service.

Mr. Wilson stated that at Fife W1, Si found that the RMS was not calling in. He stated that Si found a phone line that needed repairs and contracted the phone company.

Mr. Wilson reported on the water accountability. He stated that it was at 94.5% for the month of October.

Mr. Wilson reported on the delinquent account list with 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 delinquent cut off list.

Upon motion by Director Klenk, seconded by Director Tietz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report.

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 J, and which follows in substantially the form it was presented:

a. **Commercial Reviews:**

1. **Beamer Villas:** Mr. Gaez reported that Gehan Homes has partnered with Crystal Creek Developers as the home builder, and have been told that the

construction plans have been re-submitted to agencies for re-approval. He reported that BGE has not been contacted by Crystal Creek Developers to re-submit the lift station or pump station plans by Crystal Creek Developers.

2. **El Dorado Tracts:**

i. **Allora Apartments (9.13 Acre Multi Family Tract):** Mr. Gaez reported that that construction is ongoing and it is anticipated that the project will be fully completed in March 2022. He stated that the fire protection plans were submitted to the Forest Bend Fire Department for record keeping on October 10th.

ii. **Assisted Living Facility (6.77 Acres El Dorado Blvd and Beacons View):** Mr. Gaez stated that construction is ongoing.

3. **Rodzina Office Warehouse Phase II.** Mr. Gaez that there were no new updates other than the plat has now been recorded.

4. **Speedy Carwash.** Mr. Gaez stated that the contractor has constructed a sanitary sewer connection without authorization. He stated that Si Environmental has conducted periodic inspections on the site and they have not identified any issues. According to the site's engineer, Harris County will be conducting final site inspections for the site by the end of the month. He stated that the contractor is has submitted the traffic control plan and requisites to work within public ROW to Harris County and are waiting for approval. Discussion ensued regarding the unauthorized connection. Upon motion by Director VanRiper, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to assess the penalty in accordance with the District's rate order and charge the contractor \$2,500 for the unauthorized sanitary sewer connection.

b. **Capacity Requests.** Mr. Gaez stated that there was nothing to report.

c. **BGE Authorized Projects:**

i. **Water Plant No. 1 Driveway Replacement:** Mr. Gaez reported that Harris County has approved the construction plans and issued the minor site permit on November 10th. BGE has reached out to the Heritage Park CIA representative notifying them of upcoming construction in the area. The representative did not have any issues as presented and they will notify the CIA board members. The estimated construction cost for the project is \$77,604.51 including contingencies. Upon motion by Director Klenk, seconded by Director Tietz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the authorization for BGE to move forward with competitive bids for the driveway replacement.

d. **COH / County Projects**

- i. **City of Houston (“COH”) Southeast Transmission Line (surface water line):** Mr. Gaez reported on that design is ongoing. He stated that the alignment of line segments is under review and consultants are working towards milestone submittals. Mr. Gaez stated that the next cash call (Cash Call #3) in the amount of \$993,603.98 will be due on December 27th. He stated that the District had originally planned to fund the cash call with the new bond issue; however; the bond funds will not be available until early 2022. The District may choose to pay the cash call out of District operating reserves and issue a resolution to refund the account when bond funds are available or the District may issue a surplus funds notification to the TCEQ to fund the expense out of the series 2013 surplus bond funds. He stated that the next SEWP Operations Advisory Committee was held on October 29th. Details for the ongoing CIP projects and plant operations were provided. Discussion ensued regarding the funding Cash Call #3 in the amount of \$993,603.98. Upon motion by Director Klenk, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to pay the cash call #3 out of the District’s operating reserves and issue a resolution to refund the account when bond funds are available.
- ii. **Blackhawk Treatment Plant:** Mr. Gaez stated that there was nothing to report.
- iii. **Joint Regional Lift Station 142-2:** Mr. Gaez stated that Techstar Construction is waiting on parts to begin reconstruction of the control panel.

e. **Additional Items:**

- i. **840,000 Gallon Ground Storage Tank Cathodic Protection Repair:** Mr. Gaez stated that the repair will be completed during the next internal inspection of the ground storage tank in early December 2021.
- ii. **Water Plant Coating Inspections:** Mr. Gaez stated that the 840,000 gallon ground storage tank and 20,000 gallon Hydropneumatic tank will be due for inspection next month. He stated that the ground storage tank will be drained to comply with the TCEQ coating inspection schedule.
- iii. **AWIA Emergency Preparedness Plan Certification:** Mr. Gaez reported that BGE is working with Si Environmental to complete the Emergency Preparedness Plan (ERP). The AWIA requires that the District certify the completion of the ERP by December 31. Discussion ensued.

Upon motion by Director Klenk, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

12. Park and Recreational Facility Report. Mr. Gray, who presented to and reviewed with the Board the Parks and Recreational Facilities Report, a copy of which is attached hereto as Exhibit K.

Mr. Gray reported that the large tree that fell last month has since been removed. He stated that there have been tree limbs thrown over resident fencing along the channel on Pilgrims Point Dr. Discussion ensued.

Mr. Gray reported on Heritage Park Short Channel, stating that the channel is in good condition.

Mr. Gray reported on Heritage Park Long Channel, stating that the channel is in good condition and is functioning as designed.

Mr. Gray presented to and reviewed with the Board the proposed annual maintenance budget for fiscal year ending December 31, 2022, a copy of which is hereto attached as Exhibit K. Upon motion by Director Klenk, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposed annual maintenance budget for fiscal year ending December 31, 2022.

13. Sewage Treatment Plant Operations Report. Director Squires stated that there was nothing to report.

14. Discuss Southeast Water Plant Report. Director Squires stated that the City is looking to request an amendment to the contract to a fixed cost. He stated that at the moment they are in the questioning process of the contract. He stated that the Water Plant will also be getting a new plant manager.

15. Discuss Maintenance of District Facilities. There was nothing to report.

16. Matters pertaining to 2022 Directors Election, including discuss the possibility of joint election with Harris County, Appointment of Agent, Notice of Deadline to File Applications, and election procedures; and such other matters as may properly come before it. Mr. Wilson presented to and reviewed with the Board the Appointment of Agent for the 2022 Directors Election, a copy of which is attached hereto as Exhibit L. He reported that the Appointment of Agent designates Kaitlyn Malek of NRF as the Secretary's agent to perform ministerial duties as specified in Election Code 31.123 for the 2022 Directors Election. Upon motion by Director Klenk, seconded by Director Tietz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Appointment of Agent for the 2022 Directors Election.

Mr. Wilson further discussed the possibility of holding a joint election with Harris County for the May 2022 election season. He stated that it would be beneficial to the District to join this

election due to the amount of money that would be saved. Discussion ensued. Upon motion by Director Klenk, seconded by Director VanRiper, after full discussion and the question being put to the Board, the Board voted unanimously to accept joining the joint election with Harris County for the 2022 elections.

17. Other District Matters. Mr. Raska reported to the Board that everything is running correctly at the District's ponds. He presented to the Board a proposal for the fish infrastructure and turtle traps. Discussion ensued. It was the consensus of the Board to further discuss this proposal at the December meeting.

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 21, 2021.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors