

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 20, 2020

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") convened in regular session on Tuesday, October 20, 2020 at 6:00 p.m. via teleconference pursuant to Section 551.125, Texas Gov't Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

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

All members of the Board were present in person Also attending all or parts of the meeting in person were Mr. Tom Hoff of the Forest Bend Fire Department; and Mr. Chris Wilson of Si Environmental ("Si"), operator for the District;

Attending all or parts of the meeting via teleconference were Ms. Kandy Pfeffer of ETI Accounting Services ("ETI"), bookkeeper for the District; Ms. Vicki Sullivan of Equi-Tax, Inc., tax assessor and collector for the District; Mr. Reginald Wilson and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorney for the District; Mr. Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Alton Henderson and Mr. Josh from Windsor EMS, Inc.; Ms. Lauren Smith of Public Finance Group, financial advisor for the District; Mr. Nelson Gaez of Brown & Gay Engineers, Inc. ("BGE"), engineer for the District; and Ms. Mary DuBois with Acclaim Energy

Pursuant to Section 551.054, Texas Gov't Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District's website within the time limits prescribed by law. A certificate of such posting is attached hereto as *Exhibit A*. The agenda packet was posted on the website as items became available in compliance with the guidelines issued by the Texas Attorney General.

Call to Order. Mr. Wilson called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. Mr. Wilson then set out guidelines for the conduct of the meeting. Mr. Wilson turned the meeting over to President Squires.

1. Public Comments. The Board recognized Ms. Dubois, who stated that the on September 8, 2020, the new electricity contract was executed. She stated that the new contract is effective November 2023 and will expire in April 2029 and that the electricity rate will be \$0.03989.

2. Public Hearing on 2020 Tax Rate. President Squires opened the hearing on the proposed 2020 tax rate. There were no comments on the tax rate from the public. President Squires closed the public hearing on the 2020 tax rate.

3. Adopt Order Setting Tax Rate and Levying Tax for 2020. The Board reviewed the Order Setting Tax Rate and Levying Tax for 2020, a copy of which is attached hereto as *Exhibit B*. 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 adopt the Order Setting Tax Rate and Levying Tax for 2020, thereby levying a tax at a rate of \$0.40 per \$100 assessed valuation.

4. Approve Minutes The Board considered the minutes of the September 15, 2020 meeting, copies of which was 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 September 15, 2020, as presented.

5. Engineer's Report. (moved to after minutes). Mr. Gaez presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit C*, and which follows in substantially the form it was presented:

a. **Commercial Reviews**

1. **Beamer Villas:** Mr. Gaez reported that there are no new updates to report.

2. **El Dorado Tracts:**

Mr. Gaez reported that the No Objection letters were issued on October 14, 2020 to the Allora Apartments. He stated that NRF prepared the easement documents for the water line and water meter and that the documents were sent to the developer for execution.

Mr. Gaez reported on the 123 Unit Senior Living Facility (6.77 Acres at El Dorado Boulevard and Beacons View), stating that WGA. Inc. has resubmitted the construction plans that are currently under review with BGE. He stated that BGE did request that a trash rack is included in the plans.

3. **ACES AC Warehouse (Ellis Business Park):** Mr. Gaez reported that the plans have been submitted for review.

4. **Rodzina Office Warehouse Phase II.** Mr. Gaez reported that the plans have been submitted for review.

5. **Speedy Carwash.** Mr. Gaez reported that a plan review letter was issued on October 12, 2020.

b. Capacity Requests.

1. ACES AC Warehouse Capacity Request. Mr. Gaez reported that Venturi Engineering, Inc. on behalf of ACES A/C Supply, Inc., submitted a capacity reservation for 1,000 gallons per day water and sewer capacity (4 ESFCs) to serve a 2.0645-acre tract. He stated that the 2.0645 acre tract was purchased from Ellis Business park, which originally reserved 8,000 gallons per day of water and 5,000 gallons per day of sewer service. Mr. Gaez requested approval to grant capacity to ACES A/C warehouse for the 4 ESFCs and to revise the Ellis Business Park capacity reservation to reflect the reduction of 4 ESFCs.

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 grant capacity to ACES A/C warehouse for the 4 ESFCs and to revise the Ellis Business Park capacity reservation to reflect the reduction of 4 ESFCs.

c. BGE Authorized Projects:

1. 2020 Bond Issue Report. Mr. Gaez reported that BGE addressed the consultant comments. He stated that the bond application will be submitted upon receipt of documents from the District's 21st and 22nd annexations. Mr. Gaez stated that NRF is following up with the City of Houston on the missing documents.

d. COH / County Projects

1. City of Houston ("COH") Southeast Transmission Line (surface water line): Mr. Gaez reported that LAN, one of the consultants, has created a co-participant portal to allow for collaboration in the review of Contract D of the alignment.

2. Blackhawk Treatment Plant. Mr. Gaez reported that the next co-participant meeting is scheduled for November 5, 2020. He stated that GCA sent a reminder to the co-participants that the solid disposal fees are expected to increase significantly within the next five years. He stated that they are proposing to conduct a study to analyze options to maintain the lowest cost possible and that the estimated cost of the study is \$21,500.

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.

6. Forest Bend Fire Department Report. Mr. Hoff reviewed the runs for the month of September. He also reported on the service calls within the month and discussed the September budget activity.

7. Windsor EMS, Inc. Report. Mr. Henderson reported on the issue with the secondary paramedic truck and the response to an obvious death. Mr. Henderson stated that they needed a EKG strip, but that Windsor protocol does not require an EKG strip for obvious death. Mr. Henderson reported that the paramedic arrived 20 minutes later. He stated that due to the incident, a meeting ensued and new guidelines were implanted with dispatch and also sent to

Friendswood. Discussion ensued regarding the new guidelines regarding response of the paramedic truck and contact with Friendswood if a second is needed.

Mr. Henderson then presented to and reviewed with the Board the Windsor EMS, Inc. ("Windsor") report for September 2020, a copy of which is attached hereto as *Exhibit D*. He stated that Windsor responded to 62 calls within the month. Mr. Henderson reported that the average response time was six minutes and 11 seconds.

Discussion ensued regarding the line to be plugged in with the truck. Mr. Henderson reported that he will follow up to see if the issue was resolved.

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 Windsor Report. All of the medic 18 calls were responded to in less than the average 7 minute time.

8. Tax Assessor and Collector's Report. Ms. Sullivan presented to and reviewed with the Board the Tax Assessor and Collector's Report and the SPA Report for September 2020, a copy of which is attached hereto as *Exhibit E*. Ms. Sullivan reported that as of September 30, 2020, the District has collected 99.1% of taxes for 2019.

Ms. Sullivan reviewed the SPA Report with the Board. President Squires inquired on new stores in the area and Ms. Sullivan reported that she will ensure that they are added to the SPA list.

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, to approve the execution of the checks as presented.

9. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for September 2020, the 2020 Energy Usage Report, the Budget for fiscal year ending December 31, 2021, and the Investment Report, copies of which are attached hereto as *Exhibit F*.

Ms. Pfeffer reported that the Certificate of Deposit ("CD") at Texas Exchange Bank in the debt service fund matured on September 28, 2020. She stated that after discussing the investments with Director Klenk, the CD at Texas Exchange Bank was closed and the funds were deposited into TexPool.

Discussion ensued regarding the expenditures in the current budget.

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

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 the month of September 2020, a copy of which is attached hereto as *Exhibit G*.

Mr. Wilson reported that leaking taplines were replaced at 4306 Alysheba Lane and 2743 Virginia Colony.

Mr. Wilson reported that a section of the mainline was replaced at 17022 Coachmaker.

Mr. Wilson reported that the bolts and gaskets on a leaking fire hydrant valve was replaced at a 3714 Norwood Glen.

Mr. Wilson reported that a leaking main line was repaired with a clamp at 15602 Constitution.

Mr. Wilson reported that a section of the mainline at 2535 Colonial Ridge was replaced.

Mr. Wilson reported that 50 water meters were replaced as per the District meter change out program with meters over 1,000,000.

Mr. Wilson reported that a line was jetted to clear the blockage at 2446 Heritage Bend.

Mr. Wilson reported on a line repair at 15834 Cambridge View.

Mr. Wilson reported that Si televised a line at 16030 Capistrano Falls and found grease and root build up in the house line. He stated that there were no issues in the District line.

Mr. Wilson reported on the lift station maintenance in the month of September.

Mr. Wilson reported on the water plant maintenance in the month of September.

Mr. Wilson reported that the accountability was 83.13% for the period between July 2020 and August 2020.

Mr. Wilson reported on the delinquent list.

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 Operations Report and to execute the delinquent list.

11. Approve Application for Approval by Texas Commission on Environmental Quality for Use of Surplus Funds. Mr. Wilson presented to and reviewed with the Board the Application for Approval by Texas Commission on Environmental Quality for Use of Surplus Funds ("Application"), a copy of which is attached as *Exhibit H*. Mr. Wilson reported that the Application is for the Leak Detection and Repair project. 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 Application.

12. Review proposal from Lake Management Services, L.P. and take any necessary action. President Squires presented to and reviewed with the Board the Lake Management Services, L.P. proposal, a copy of which is attached hereto as *Exhibit I*. 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 proposal.

13. Sewage Treatment Plant Operations Report. President Squires reported that this item was covered in the Engineer's Report.

14. Discuss Southeast Water Plant Report. President Squires reported that there are no updates to report at this time. He stated that the new contractor is on hold until the issues are resolved. President Squires also reported that a new budget should be released soon.

15. Discuss Maintenance of District Facilities. There were no issues to report and that the issue with the EMT Class at the administration building was resolved.

16. Discuss Board vacancy and take any necessary action. The Board agreed to defer this item.

17. Park and Recreational Facility Report. President Squires recognized 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 J*. He reported that there are no issues. He stated that the fall over-seeding and fertilization will be conducted within the month.

President Squires inquired on the silting at the outfalls. Mr. Gray reported that there is some silting, but that it will not affect the water flow during the rain events and is not of immediate concern.

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 **November 17, 2020.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors