

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 19, 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") convened in regular session on Tuesday, January 19, 2021 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; 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;

Attending all or parts of the meeting via teleconference were Ms. Jennifer Landreville 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. Nadin Fallah of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; Mr. Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Alton Henderson from Windsor EMS, Inc.; and Ms. Lauren Smith of Public Finance Group, financial advisor for the District.

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.** There were no public comments.
- 2. Approve Minutes** The Board considered the minutes of the December 15, 2020 meeting, copies of which was previously distributed to the Board. 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 minutes of December 15, 2020, as presented.

3. Forest Bend Fire Department Report. Mr. Wagner reviewed the runs for the month of December. He also reported on the service calls within the month and discussed the December budget activity. Discussion ensued.

4. Windsor EMS, Inc. Report. Mr. Henderson presented to and reviewed with the Board the Windsor EMS, Inc. ("Windsor") report for December 2020, a copy of which is attached hereto as *Exhibit B*. He stated that Windsor responded to 89 calls within the month. Mr. Henderson reported that the average response time was six minutes and eighteen seconds.

Mr. Henderson reported that December was the busiest calendar month for the year in terms of the number of calls received. He reported that 88 requests for service were received within the month. Mr. Henderson discussed the calls with longer response times.

Mr. Henderson reported that Windsor is now a certified testing site for COVID-19 per the State of Texas regulations. He stated that, if the Forest Bend Fire Department is in need of testing services, Windsor can now administer COVID-19 rapid tests.

Mr. Henderson stated that the Windsor is currently preparing its 2021 budget.

Mr. Henderson then reported on the District's Agreement with Windsor, requesting the contractual 1.4% for the 2021 Cost per Instance ("CPI"). He stated that the 1.4% for the CPI would result in an increase in contract cost in the amount of \$3,856.34. 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, and to authorize 1.4% for the CPI in the District's Agreement with Windsor.

Mr. Henderson reported on the term of the District's Agreement with Windsor, and inquired if the District is interested in a two-year extension of the contract. Discussion ensued. 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 authority the two-year contract extension on the District's Agreement with Windsor.

5. 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 December 2020, a copy of which is attached hereto as *Exhibit C*. Ms. Sullivan reported that as of December 31, 2020, the District has collected 31.9% of taxes for 2020.

Ms. Sullivan reviewed the SPA Report with the Board. 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 the Tax Assessor and Collector's Report, to approve the execution of the checks as presented.

6. Adopt Order Authorizing Exemption from Taxation. Mr. Wilson presented to and reviewed the Board an Order Adopting Exemption from Taxation, a copy of which is attached hereto as *Exhibit D*. 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 authorize a \$40,000 tax exemption for individuals who are 65 years of age or older or disabled.

7. Approve Resolution Authorizing Additional Penalty on Delinquent Taxes. Mr. Wilson presented to and reviewed with the Board the Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as *Exhibit E*. Mr. Wilson reported that the revenue collected by levying this penalty is used to pay the delinquent tax attorney for the services provided to the District.

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 adopt the Resolution Authorizing Additional 20% Penalty on Delinquent Taxes.

8. Bookkeeper's Report and Investment Report. Ms. Landreville presented to and reviewed with the Board the Bookkeeper's Report for December 2020, the 2021 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. Landreville reported that the District's next debt service payment is due on February 1, 2021.

Director Squires inquired about check no. 4722 made out to Engie Resources in the amount of \$4,468.22. Director Squires stated that the amount differs from that presented in the Engie Resources invoice. Ms. Landreville stated that she would review the invoices and adjust the check as needed prior to issuing.

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.

9. Amend Rate Order. Discussion ensued regarding the District's Rate Order. The Board made the decision to defer this item to February.

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 dated January 19, 2021, a copy of which is attached hereto as *Exhibit G*.

Mr. Wilson reported that a failed curb stop was excavated and replaced at 2802 Bay Area Boulevard.

Mr. Wilson reported that sidewalk was removed at 3802 Shiloh Park Court. He stated that Si excavated down to the mainline valve, replaced a gasket that had failed, and reassembled the valve. He further stated that concrete and landscaping were replaced following the repair.

Mr. Wilson reported that a leaking U-branch was replaced at 2710 Mayflower Landing Court.

Mr. Wilson reported that 50 meters were replaced through the Meters Over One Million change out program.

Mr. Wilson reported that 2 manholes were reset and resealed following a water line repair and the removal of sidewalk at 3702 Summer Cove Court.

Mr. Wilson reported that, at 2711 Beacon Bay Circle, Si excavated down to the mainline and replaced a failed saddle. He stated that the houseline was reconnected and landscaping was replaced following the repair.

Mr. Wilson reported an overflow caused by back up on 2426 Farriers Bend Drive. He stated that the area was cleaned and freed of debris.

Mr. Wilson reported that lines were jetted to clear blockage at 2415 Colonial Ridge Drive and 17706 Fife Lane.

Mr. Wilson reported on the lift station maintenance for the month of December. He stated that Pump No. 2 was not operational. He stated that the variable frequency drive ("VFD") had failed. A new VFD was ordered, installed, and tested, and the pump is currently operational.

Mr. Wilson reported on the water plant maintenance for the month of December. He stated that a chlorine leak detector was replaced.

Mr. Wilson reported on the delinquent list with the Board. Discussion ensued.

Director Squires inquired about a manhole repair on Pilgrims Point Drive. Mr. Wilson stated that the manhole had become progressively large, but that the issue has been 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 Operations Report and to execute the delinquent list.

Director Mendez entered the meeting at this time.

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 H*, 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 water meter easement has been recorded, and the contractor is scheduled to begin construction.

Mr. Gaez reported on the 123 Unit Senior Living Facility (6.77 Acres at El Dorado Boulevard and Beacons View), stating that comments to the

construction plans were issued and BGE is waiting on the revised documents.

3. **ACES AC Warehouse (Ellis Business Park):** Mr. Gaez reported that the plans have been reviewed and comments were issued on January 14, 2021.

4. **Rodzina Office Warehouse Phase II.** Mr. Gaez reported that the metes and bounds description for the water meter easement has been forwarded to NRF to draft the water meter easement.

5. **Speedy Carwash.** Mr. Gaez reported that a plan review letter was issued on October 12, 2020 and that the developer has not submitted the revised plans yet. Director Squires inquired about the delay in the developer's submission. Mr. Gaez stated that the amount of time that elapses before submission of the plans varies from project to project. Discussion ensued.

b. **Capacity Requests.** Mr. Gaez reported that there are no updates.

c. **BGE Authorized Projects:**

1. **2020 Bond Issue Report.** Mr. Gaez reported that he is waiting on the City of Houston's revised Southeast Water Plant Capital Improvement Plant in order to amend the bond issue amount. He stated that the city of Houston will hold their next co-participant meeting on January 29, 2020, where the City is expected to present the updated Capital Improvement Plant.

d. **COH / County Projects**

1. **City of Houston ("COH") Southeast Transmission Line (surface water line):** Mr. Gaez reported on Contract A, stating that the City of Houston held a progress meeting on January 14, 2021 to provide updates on the design of the 54-inch line along Beltway 8. He further stated that the design team is working on the 30% submittal package and coordinating alignment options.

Mr. Gaez reported on Contract B, stating that the City of Houston held a progress meeting on January 12, 2021 to provide updates on the design of the 54-inch line along Old Galveston Road. He stated that geotechnical investigation of soils is ongoing, and design engineering is working on preparation of the 30% design submittal.

Mr. Gaez Reported on Contract C, stating that the City of Houston held a progress meeting on January 12, 2021, and that the City of Houston's consultants are continuing to work through alignment options and easement acquisitions.

2. **Blackhawk Treatment Plant.** Mr. Gaez reported that there are no updates to report.

e. Additional Items

Mr. Gaez reported on a tree that was growing inside a temporary District drainage easement at 15915 Camp Fire Road. He stated that the tree fell and caused damage to a residential fence. The resident of the affected property has requested that the District reimburse the costs incurred to repair the fence panels and remove the tree. The resident has not provided the requested amount for reimbursement at this time. Discussion ensued regarding the insurance claim related to this matter. Mr. Gaez reported that there is no deductible on the claim. Discussion ensued. The Board made the decision to proceed with the claim. Mr. Wilson stated that legal will handle the matter. Mr. Gaez confirmed that we would provide the relevant information to legal.

Mr. Gaez reported on the updated Emergency Preparedness Plan ("EPP"). He stated that the Texas Commission on Environmental Quality has approved the updated EPP and provided a confirmation letter dated January 7th. BGE will be distributing copies of the updated EPP to pertinent public agencies. Director Squires requested that a copy be provided to the Board as well. Mr. Nelson confirmed that it would.

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.

12. Approve Petition for Addition of Land for 21st and 22nd annexations. Mr. Wilson reported that the Certificates of Ownership have been received from Harris County Appraisal District. He stated that the approval of the Petition for Addition of Land for 21st and 22nd annexations will be deferred.

13. Approve Petition for Consent for Addition of Land for 21st and 22nd annexations. Mr. Wilson reported that this item will be deferred to February.

14. 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 I*. He stated that there are no major issues to report.

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

Mr. Gray reported several tree limbs located on the District's side of the fence. He stated that he will continue to monitor the area to ensure that the issue is not recurring.

Mr. Gray reported on a swale located on Rex Road. He stated that the swale is filled with trees and brush, and that he is coordinating with the District's Engineer to determine how to proceed.

15. Sewage Treatment Plant Operations Report. There were no updates.

16. Discuss Southeast Water Plant Report. There were no updates.

17. Discuss Maintenance of District Facilities. There were no issues to report.

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

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 **February 16, 2021.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors