

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 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 Friday, February 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; Mr. Reginald Wilson, Ms. Kaity Malek and Ms. Nadin Fallah of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; Mr. Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Ms. Lauren Smith of Public Finance Group, financial advisor for the District; and Mr. Allen DeJonge of Infinity Services.

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 January 19, 2021 meeting, copies of which was previously distributed to the Board. 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 approve the minutes of January 19, 2021, as presented.

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

Mr. Hoff stated that Forest Bend dropped off four water tank trucks to Galveston Island due to a water outage after the snow storm and will pick them back up after the weekend. Discussion ensued.

4. Windsor EMS, Inc. Report. Mr. Wilson reported that Windsor EMS would like to hold a special meeting in regards to Windsor EMS annual finances. It was the consensus of the Board to meet on Thursday, February 25, 2021 at 6:30 p.m. for the special meeting.

5. Tax Assessor and Collector's Report. Ms. Landreville presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as *Exhibit B*.

Ms. Landreville reported that for the month of January the District has collected 86.4% of taxes for 2020.

Ms. Landreville stated there are 23 checks being presented for review and approval.

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

Ms. Landreville reported that the District's next debt service payment is due on August 1, 2021.

Ms. Landreville stated there are 48 checks being presented for review and approval.

Ms. Landreville reviewed the January investment and capital reports.

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.

7. Amend Rate Order. Director Squires stated that the District will need to amend the current rate order. Discussion ensued. The Board decided not to amend the rate order at this time.

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 January 2021 and updates regarding the snow storm a copy of which is attached hereto as *Exhibit D*.

Mr. Wilson reported during the freeze the District did lose water due to a frozen water pipe but Si was able to restore the pressure and get everything back online. Mr. Wilson also stated that the District is currently on a boil water notice. Discussion ensued regarding when the notice will be lifted and how the District will notify the residents.

Mr. Wilson reported that there was work done on both 4719 Meadowthorn Court and 16750 Frigate Drive. He stated that Si removed the sidewalks and excavated down to the mainline valves, replaced a leaking tap lines, backfilled and cleaned the areas. He further stated that concrete and landscaping were replaced following the repairs.

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

Mr. Wilson reported that Si televised lines on 3835 Misty Falls and found it was full of roots. They removed the sidewalk and excavated down to the mainline valves, removed sections of the sewer line and reconnected and reestablished grade. He further stated that concrete and landscaping were replaced following the repairs.

Mr. Wilson reported that, at 2203 Pilgrims Point, Si removed the sidewalk and exposed houseline. He stated that Si broke out the new connection point inside of the manhole and installed the houseline. He stated that the houseline was reconnected and landscaping was replaced following the repair.

Mr. Wilson reported that at, 17303 Heritage Bay Drive, Si broke out a manhole and set it to grade. He stated that concrete and landscaping were replaced following the repairs.

Mr. Wilson reported that Si broke out another manhole at 16807 Anchor Point and lowered it to grade. Si replaced the concrete and landscaping once repairs were complete.

Mr. Wilson reported that lines were jetted to clear blockage at 2247 Pilgrims Point.

Mr. Wilson reported on the lift station maintenance for the month of January. He stated that on St. Lawrence Drive there were repairs made per the infrared survey. On Signal Hill L3, Si found the pumps were not coming on. Si tested and found the time delay had failed and new parts were ordered and installed.

Mr. Wilson reported on the water plant maintenance for the month of January. He stated that a subcontractor performed well production tests and there was preventive maintenance done at Hope Village on the clay valve.

Mr. Wilson reported on the water accountability. He stated that it was at 98.2%. Mr. Wilson stated that due to the snow storm most Districts water demand was exceeding that of the summer demands and in addition to the power outages the equipment at the water plants were stressed and pushing out more water than the equipment does in the heat of summer. Discussion ensued.

Mr. Wilson reported on the delinquent list. Discussion ensued regarding deferring until the March.

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 Operations Report and to execute the delinquent list.

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. **Beamer Villas:** Mr. Gaez reported that Selwyn Thint with Crystal Creek Developers informed BGE that although the tract is under contract to build homes with Gehan Homes there have been issues with securing funding from financial institutions, therefore the project has been delayed. Crystal Creek has requested that BGE review the existing developer's reimbursement agreement and determine what is needed to for a possible update of the agreement. Discussion ensued.

2. **El Dorado Tracts:**

i. **Allora Apartments (9.13 Acre Multi Family Tract):** Mr. Gaez reported that construction is ongoing and the storm sewer outfall to the District's detention pond has been installed. He stated that BGE contacted the design engineer for details on the construction of the outfall and reported that representatives from the development have confirmed that the outfall was built but has been plugged since it is not currently serving the future private detention pond. Mr. Gaez stated that BGE inspectors have been directed to conduct periodic inspections of the construction activity the vicinity of the District's pond.

ii. **Assisted Living Facility (6.77 Acres El Dorado Blvd and Beacons View):** Mr. Gaez stated that there are currently no updates regarding the assisted living facility.

3. **ACES AC Warehouse (Ellis Business Park):** Mr. Gaez reported that the construction plans were approved by the District and construction is ongoing. Si Environmental has performed the underground utility inspections and will complete the customer service inspection once the building is complete.

4. **Rodzina Office Warehouse Phase II.** Mr. Gaez stated there are no new updates regarding the Rodzina Warehouse but the construction plans have been approved.

5. **Speedy Carwash.** Mr. Gaez stated there are no new updates regarding the Speedy Carwash but a plan review letter was issued on October 12th and developer has not submitted revised construction plans for review.

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

c. BGE Authorized Projects:

i. 2020 Bond Issue Report. Mr. Gaez reported that the draft bond application has been updated to include the revised Southeast Water Purification Plant CIP. Along with the revision from the City of Houston (CoH), BGE received a cash call schedule for the Southeast Transmission Line. Mr. Gaez stated that the project is being delayed due to still being in the design stage. Mr. Gaez further stated that the next cash call will not be until 2024, so issuing bonds now will be premature. Discussion ensued regarding the issuance of bonds.

ii. Water Plant No. 1 GST Replacement – Mr. Gaez reported that the GST is due for the 1-year warranty inspection on March 3rd. He stated that Si Environmental will coordinate draining of the tank to allow for BGE inspectors to complete the internal inspection.

iii. Heritage Park Section 17 Backslope Swale Clearing – Mr. Gaez stated that BGE will solicit bids from contractors for tree removal and present at the March regular meeting.

d. CoH / County Projects

i. SEWP Co-participant Meeting – Mr. Gaez reported on the co-participant meeting that was held on January 29th. He stated that the City of Houston discussed the updated CIP and ongoing maintenance issues.

ii. 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 February 11th to provide updates on the design of the 54” water line along Beltway 8. He stated that the design team has submitted the 30% submittal package for review.

Mr. Gaez reported on Contract B, stating that the City of Houston held a progress meeting on February 9th to provide updates on the design of the 54” water line along Old Galveston Road. Geotechnical investigation is complete, and the engineer is working on submittal of 30% package.

Mr. Gaez Reported on Contract C, stating that the City of Houston held a progress meeting on February 9th. The City’s consultants are continuing to work through alignment options and easement acquisitions.

Mr. Gaez Reported on Contract D, stating that the City of Houston held a progress meeting on January 28th. Consultants are working on alignment options.

iii. Blackhawk Treatment Plant. Mr. Gaez reported that there are no updates to report. He stated that the next joint advisory committee meeting will be held on March 2.

e. Additional Items

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 BGE will be distributing copies of the updated EPP to pertinent public agencies once the approved copy of the EEP is received.

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 Engineer's Report.

10. Report on Senate Bill 625 filing with Comptroller. Mr. Wilson updated the Board that NRF has taken care of this for the District. He noted that Ms. Malek filed the Senate Bill 625 on February 11, 2021.

11. Approve Petition for Addition of Land for 21st and 22nd annexations. Mr. Wilson reported that this item will be deferred to March due to the snow storm that hit.

12. Approve Petition for Consent for Addition of Land for 21st and 22nd annexations. Mr. Wilson reported that this item will be deferred to March due to the snow storm that hit.

13. 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 F*. He stated that there are no major issues to report.

Mr. Gray reported that the next major event for the District will be the Spring fertilization in March.

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.

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

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

16. Discuss Maintenance of District Facilities. The Board discussed light fixtures that needs to be replaced but there were no major issues to report.

17. Consider District Website Proposal. Mr. Wilson recognized Mr. DeJonge, who presented to and reviewed with the Board the Website Proposal, a copy of which is attached hereto as *Exhibit G*.

Mr. DeJonge stated that Infinity Services (IS) has been working with District's for about 15 years and are currently serving 700 districts throughout Texas. Mr. DeJonge stated that IS has two layouts that the company uses for websites. The first layout is a standard layout similar to what the District currently has and is priced roughly at \$900.00. He stated that the second

layout is a customized layout which runs for roughly \$2,300.00 and it includes additional functionalities.

Mr. DeJonge reported on the different fees surrounding the District's website and what each fee covers. Mr. DeJonge further stated that IS offers email and text alerts as well as certificates.

Mr. DeJonge reported on how IS would update the District's website and discussed a discounted price since the current website has a lot of information on it already. Discussion ensued.

The Board agreed to defer the discussion of the proposal to next month's meeting and would like for Mr. DeJonge to attend the meeting in person.

18. Discuss Board vacancy and take any necessary action. There was nothing to report.

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 **March 16, 2021.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors