

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 15, 2019

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, October 15, 2019, whereupon the roll was called of the members of the Board, to-wit:

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

All members of the Board were present. Also attending all or parts of the meeting were Mr. Nelson Gaez of Brown & Gay Engineers, Inc. ("BGE"), engineer for the District; Mr. Chris Wilson of Si Environmental ("Si"), operator for the District; 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. Tom Dillard of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Tom Hoff of the Forest Bend Fire Department; Ms. Leslie Bacon and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; Mr. Alton Henderson and Mr. Joshua Vorheier from Windsor EMS, Inc.; Mr. Kevin Atkinson of Texas Pride Disposal; Ms. Charlotte Pratka, Ms. Phyllis Howard, and Mr. Mark Evangelista and Mrs. Fe Marie Evangelista, resident of the District; Mr. Robert Bertrend, member of the public.

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. The President recognized Mr. Bertrend who discussed the maintenance of the drainage ditch adjacent to his property. He stated that the ditch was maintained by Harris County Flood Control District ("HCFCD") prior to Hurricane Harvey, but has not been maintained in approximately three years. Mr. Gaez addressed his concern and reported that the drainage ditch is not in the District's property and does not maintain property for which they have no legal right. He informed Mr. Bertrend that he should follow up with HCFCD regarding the maintenance. Mr. Bertrend stated that he already contacted HCFCD. Discussion ensued regarding the maintenance of the drainage ditch and Mr. Bertrend's options. Mr. Gaez stated that he will contact HCFCD and request that the matter be handled. Mr. Bertrend stated that he will also follow up with HCFCD again to inform them of the discussion at the Board meeting.

President Squires addressed Mr. Atkinson, who stated that the homeowner's association is requesting to move the trash collection billing to the District. President Squires stated that the District does not handle the trash and will not take on the responsibility. Mr. Atkinson stated that he will continue to work with the homeowner's association.

The Board then discussed the trash collection by Texas Pride Disposal and complimented Mr. Atkinson on the service. They also discussed their issues with the customer service phone

line and Mr. Atkinson addressed their issues, stating that the problem should be resolved within the month.

President Squires recognized Mr. and Mrs. Evangelista who requested an adjustment to their water bill due to a leak and repair. Mr. Wilson reported on the visit history to their property and stated that a plumber was recommended in August. Mrs. Evangelista stated that a payment plan was already offered, but they are requesting an additional adjustment. Discussion ensued. The Board denied the adjustment request.

2. Approve Minutes The Board considered the special minutes of September 24, 2019, and the regular meeting of September 30, 2019, copies of which was previously distributed to 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 special minutes of September 24, 2019 and the regular meeting of September 30, 2019.

3. Consideration of matters related to Unlimited Tax Refunding Bonds, Series 2019 and take any necessary action. Ms. Bacon reported that the bonds are scheduled to sell on October 16, 2019 and that as previously approved, President Squires will approve the sale.

4. Forest Bend Fire Department Report. Mr. Hoff reviewed runs for the month of September. He reported on the service calls within the month. He provided an update on equipment upgrades/repairs and budget activity within the month. Mr. Hoff reported that the Forest Bend Fire Department is participating in Fire Prevention month.

5. Windsor EMS, Inc. Report. Mr. Henderson presented to and reviewed with the Board the Windsor EMS, Inc. ("Windsor") report for October, a copy of which is attached hereto as *Exhibit B*. He stated that there were 36 calls from October 1, 2019 to October 13, 2019. He stated that Windsor responded to 35 calls. Mr. Henderson reported that the average response time was four minutes and fifty-two seconds.

6. 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 2019, a copy of which is attached hereto as *Exhibit C*. Ms. Sullivan reported that as of September 30, 2019, the District has collected 99.3% of taxes for 2018.

Ms. Sullivan reviewed the SPA Report with the Board.

Upon motion by Director Longoria, seconded by Director Swinney, 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.

7. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for September, 2019, the 2019 Energy Usage Report, the Budget for fiscal year ending December 31, 2019, and the Investment Report, copies of which are attached hereto as *Exhibit D*.

Ms. Pfeffer reported that the Central Bank Certificate of Deposit was renewed for six months at an interest rate of 2.300%.

Ms. Pfeffer issued an additional check to Windsor for the month of October.

Ms. Pfeffer reported on the \$19,000 invoice from the City of Houston regarding their Capital Improvement Plan. She stated that she has attempted to follow up with the City of Houston, but has not received any response. The Board agreed to hold the payment until Ms. Pfeffer receives a response.

Ms. Pfeffer reported that the Certificate of Deposit at Texas Exchange Bank was renewed for one year at an interest rate of 2.2272%.

Ms. Pfeffer presented draft budget no. 1 for fiscal year ending December 31, 2020, a copy of which is attached to the Bookkeeper's Report. Discussion ensued. The Board scheduled a special meeting on November 26, 2020 at 6:30 p.m., to discuss the budget for fiscal year ending December 31, 2020.

Upon motion by Director Longoria, seconded by Director Swinney, 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.

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 the month of September 2019, a copy of which is attached hereto as *Exhibit E*.

Mr. Wilson reported on the clean out of the storm water catch basins at the park. 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 an expenditure of up to \$20,000 for Si to clean out the storm water catch basins at the park.

Mr. Wilson reported on a repair made to a mainline that was leaking at a surface water meter vault.

Mr. Wilson reported on a repair to a leaking U-branch at 15806 Constitution.

Mr. Wilson reported that all of the fire hydrants in the District were inspected.

Mr. Wilson reported on two inch meters that were replaced at 2802 Bay Area Boulevard, no. 2 and 17501 Fife Lane.

Mr. Wilson reported that commercial meter testing was conducted in the entire District.

Mr. Wilson reported that Si televised the line at 16834 Frigate Drive and found roots in the mainline. He stated that the section of the mainline was replaced.

Mr. Wilson reported that a manhole was reset and resealed at Virginia Colony and Pilgrims Point.

Mr. Wilson reported on the repairs and maintenance within September at the Blue Mesa Ridge L2 and Signal Hill L3 lift stations.

Mr. Wilson reported on the repairs and maintenance at Fife Lane W1 water plant within the month of September.

Mr. Wilson reported that preventative maintenance on the entire C12 system was conducted within the month of September.

Mr. Wilson reported that the accountability was 94.59% for the period between July and August 2019.

Mr. Wilson reviewed the cut off list with the Board.

Mr. Wilson reported that he issued a check to the District for Change Order No. 1 for the water plant no. 1 ground storage tank replacement.

Upon Motion by Director Swinney, 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 approve execution of the cut off list.

President Squires read a letter to the Board that he received a letter from a resident regarding their delinquent property taxes.

Director Mendez entered the meeting during the Operator's Report.

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 F*, 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.

b. Commercial Reviews

1. **El Dorado Tracks:** Mr. Gaez reported that there are no new updates to report and that the developer is working on the design.

c. Capacity Requests. Mr. Gaez reported that the developer for the El Dorado tract is proposing to convert 8,251 square feet of retail space to restaurant space. He stated that the developer requested information on the District's capacity and that the new plans will require 244 equivalent single family connections ("ESFCs") as opposed to the current 173 ESFCs. Mr. Gaez reported that the developer has not made a formal request.

Discussion ensued regarding the District's available capacity and the undeveloped acres in the District. Ms. Bacon discussed the Board's options regarding the available capacity and the possible request for additional capacity. Mr. Nelson reported that if the additional capacity is granted, the Board will have approximately five ESFCs per acre to offer for future development.

d. BGE Authorized Projects:

1. **Water Plant No. 1 GST Replacement:** Mr. Gaez reported that the construction is ongoing and the contractor is working on the electrical

items. He stated that the work should be complete by the middle of November.

Mr. Gaez stated that he will schedule a meeting with the Operator and two Directors once the lights are installed.

e. COH / County Projects

1. **COH Southeast Transmission Line (surface water line):** Mr. Gaez reported that there are no updates at this time.

f. Blackhawk Treatment Plant. Mr. Nelson reported that the next advisory committee meeting is scheduled for October 23, 2019 and the draft 2020 budget will be discussed for adoption.

Mr. Gaez reported that the Gulf Coast Authority also submitted the draft combined facility agreement for District review. He stated that the District's share of the facility based on the capacity is 21.243%.

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.

10. Amend Rate Order. President Squires reported that the Rate Order will need to be amended due to the termination of Clear Lake Emergency Medical Corps ("CLEMC") services and the addition of the Windsor services. Discussion ensued regarding the rates and the remaining payment to CLEMC. Upon motion by Director Swinney, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to amend the Rate Order and authorize monthly emergency service rates in the amount of \$7.68 per month per home, \$3.16 per month per apartment unit, and \$21.24 per month per business.

11. Park and Recreational Facility Report. Mr. Dillard presented the oral Park and Recreational Facility Report, stating that 12 nutria have been removed to date.

12. Sewage Treatment Plant Operations Report. This item was discussed earlier in the meeting.

13. Discuss Southeast Water Plant Report. President Squires reported that the next meeting is scheduled for the end of October. He stated that there are billing issues that need to be understood and resolved.

14. Discuss Maintenance of District Facilities. Director Longoria reported that pest control is needed at the administration building.

15. Public Comments. President recognized Ms. Pratka, resident. She stated that she is trying to maintain her property as requested. The Board stated that she is at the wrong meeting and informed her that she can attend the homeowners association meeting.

16. Executive session pursuant to Section 551.071-551.084 of the Open Meetings Act. The Board convened in executive session at 7:38 p.m. pursuant to Section 551.071 of the Open Meetings Act for consultation with their attorney. Persons in attendance were the Directors,

Ms. Bacon and Ms. Sreedharan. The Board reconvened in open session at 8:00 p.m. There was no action taken from executive session.

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 19, 2019.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors