

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 17, 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, November 17, 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; Ms. Vicki Sullivan of Equi-Tax, Inc., tax assessor and collector 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. Kandy Pfeffer of ETI Accounting Services ("ETI"), bookkeeper for the District; Mr. Reginald Wilson and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; Mr. Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Ryan Lynn from Windsor EMS, Inc.; 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 October 20, 2020 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 October 20, 2020, as presented.

3. 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.

4. 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 October 2020, a copy of which is attached hereto as *Exhibit B*. Ms. Sullivan reported that as of October 31, 2020, the District has collected 99.2% of taxes for 2019.

Ms. Sullivan reviewed the SPA Report with the Board. Discussion ensued regarding the businesses in the District.

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 Tax Assessor and Collector's Report, to approve the execution of the checks as presented.

5. Windsor EMS, Inc. Report. Mr. Lynn presented to and reviewed with the Board the Windsor EMS, Inc. ("Windsor") report for October 2020, a copy of which is attached hereto as *Exhibit C*. He stated that Windsor responded to 54 calls within the month. Mr. Lynn reported that the average response time was six minutes and one seconds.

Mr. Lynn reported that there is a Windsor team in El Paso working with the Texas Task Force No. 1 and will be there until January or February 2021. He stated that Medic 18 truck was replaced with the Medic 48 truck in Houston and that the Medic 18 truck was sent to El Paso.

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.

6. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for October 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 D*.

Ms. Pfeffer reported that a Certificate of Deposit ("CD") at Allegiance Bank was purchased at an interest rate of 0.3800% for six months.

Discussion ensued regarding the expenditures in the current budget.

Ms. Pfeffer presented draft budget no. 3 and reviewed the revisions that were made as discussed at the special meeting on November 4, 2020. Brief discussion ensued regarding increasing the water and sewer rates and the draft budget no. 3.

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

7. Discuss and adopt budget for fiscal year ending December 31, 2021. This item was discussed in the Bookkeeper Report.

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 2020, a copy of which is attached hereto as *Exhibit E*.

Mr. Wilson reported on taplines that were replaced at 2126 Heritage Colony and 2732 FM 528.

Mr. Wilson reported that a leak was investigated at an apartment at 2702 West Bay Area Boulevard, stating that the issue was not on the District line and that it was communicated to the apartment complex so that it can be repaired.

Mr. Wilson reported that a leaking U branch was replaced at 2723 Heritage Colony.

Mr. Wilson reported on a repair to a fire hydrant at 3522 Harbor Pass.

Mr. Wilson reported that 50 meters were changed out as per the District's meter change out program.

Mr. Wilson reported that the lines at 2701 West Bay Area Boulevard and 4402 Rex Road were jetted to clear blockages.

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

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

Mr. Wilson reported that the accountability was 96.71% for the period between August 2020 and September 2020.

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

Discussion ensued regarding the water accountability in the District.

Upon Motion by Director Mendez, 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.

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.

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 the City of Houston requested that the development revise the water meter location

and corresponding easement. He stated that the revised metes and bounds were sent to NRF to draft the easement documents.

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 submitted for review.

4. **Rodzina Office Warehouse Phase II.** Mr. Gaez reported that Letters of No Objection were sent to the developer on November 12, 2020.

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.

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

c. **BGE Authorized Projects:**

1. **2020 Bond Issue Report.** Mr. Gaez reported that the City of Houston has identified two additional improvement packages to the southeast water plant that will be included in the five year capital improvement plan. He stated that the total estimated cost of the projects are \$22,693,000. He stated that the District plans on funding their portion in the upcoming bond issue. Mr. Gaez reported that once the information is received from the City of Houston, the bond application report will be submitted.

d. **COH / County Projects**

1. **City of Houston (“COH”) Southeast Transmission Line (surface water line):** Mr. Gaez reported on Contract D, stating that the City of Houston had a meeting on October 22, 2020 to discuss the portion of the 36-inch line running along West Medical Center Boulevard. He stated that the City of Houston will be meeting with Harris County to discuss conflicts with the proposed alignment.

Mr. Gaez reported on Contract C, stating that the City of Houston held a progress meeting on November 3, 2020 and that the City of Houston’s consultants are working through alignment options and easement acquisitions.

Mr. Gaez reported that the next cash call for the District’s portion of the southeast water plant will be sometime in May 2021.

2. **Blackhawk Treatment Plant.** Mr. Gaez reported that the co-participant meeting was held on November 5, 2020. He stated that facility operating

agreement between the City of Houston and the District is currently under review by NRF and BGE.

Mr. Gaez reported that the GCA will need input from the co-participants regarding the funding method for the CDM Smith Aeration Improvements study in the amount of \$210,020. He stated that the GCA can either include this in the proposed bond issue or as a cash call to the co-participants. Mr. Gaez reported that the GCA would also like input regarding the method of proration for the study, if it should be based on reserved capacities or flows. Mr. Gaez discussed the options and stated that if it is prorated based on reserved capacity, the District will be responsible for 21.24% of the cost. Discussion ensued.

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 inform the GCA that the District would like to treat the aeration study as a capital project, prorated by capacity owned, and that they would like the GCA to charge the study as a regular project and not to include it in the bond issuance.

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. Discuss 21st and 22nd annexations and take any necessary action. Mr. Wilson reported that during preparation of the bond application report, it was found that the 21st and 22nd annexations were not completed. Brief discussion ensued. Mr. Wilson reported that the annexations will be completed and removed from the bond application report.

11. Sewage Treatment Plant Operations Report. This item was discussed in the Engineer's Report.

12. Discuss Southeast Water Plant Report. This item was discussed in the Engineer's Report.

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 G*. He stated that there are no issues to report.

Mr. Gray reported that a resident approached him regarding a ponding issue surrounding a drain at 2802 Pilgrims Point Drive. Discussion ensued.

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

15. 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 **December 15, 2020.**

President, Board of Directors

ATTEST:

Secretary, Board of Directors