

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 16, 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, June 16, 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. Chris Wilson (person) of Si Environmental ("Si"), operator for the District; Mr. Tom Hoff of the Forest Bend Fire Department; Mr. Reginald Wilson of Norton Rose Fulbright US LLP ("NRF"), attorney 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; Ms. Vicki Sullivan of Equi-Tax, Inc., tax assessor and collector for the District; Ms. Shaila Sreedharan of NRF; Mr. T.J. Cloud and Mr. Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Mr. Alton Henderson and Josh Vorheier 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.

1. 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.

2. Board finding of existence of emergency or public necessity making the convening at one location of a quorum of the governmental body difficult or impossible and permitting a meeting by teleconference pursuant to Section 551.125 of the Texas

Open Meetings Act. Mr. Wilson reported that no action is needed as the Texas Governor extended the Disaster Declaration.

3. Public Comments. There were no public comments.

4. Approve Minutes The Board considered the minutes of the May 19, 2020 meeting, copies of which was previously distributed to the Board. President Squires requested that the minutes be revised to reflect that Director Mendez attended the meeting. 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 May 19, 2020, as revised.

5. Forest Bend Fire Department Report. Mr. Hoff reviewed runs for the month of May. He also reported on the service calls within the month.

6. Windsor EMS, Inc. Report. Mr. Henderson presented to and reviewed with the Board the Windsor EMS, Inc. ("Windsor") report for May 2020, a copy of which is attached hereto as *Exhibit B*. He stated that Windsor responded to 57 calls within the month. Mr. Henderson reported that the average response time was five minutes and 10 seconds. 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.

7. Engage Arbitrage Compliance Services for review of Series 2012, Series 2013, and Series 2019 Bonds. Mr. Wilson presented to and reviewed with the Board the engagement letters for the Series 2012, Series 2013, and Series 2019 Bonds. Upon motion by Director Longoria, seconded by Director Longoria, after full discussion and the question being put to the Board, the Board voted unanimously to engage Arbitrage Compliance Services for review of the Series 2012, Series 2013, and Series 2019 Bonds.

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 May 2020, a copy of which is attached hereto as *Exhibit C*. Ms. Sullivan reported that as of May 31, 2020, the District has collected 98.0% of taxes for 2019.

Ms. Sullivan reviewed the SPA Report with the Board.

Director Mendez entered the meeting during this item.

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

9. Approve Resolution Authorizing Request for Certificate of Estimated Assessed Valuation. Ms. Smith requested that the Board approve the Resolution Authorizing Request for Certificate of Estimated Assessed Valuation ("Resolution"), a copy of which is attached hereto as *Exhibit D*. She stated that the assessed valuation will be required when the District issues the Bonds. 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 Resolution.

10. Bookkeeper's Report and Investment Report. Ms. Pfeffer presented to and reviewed with the Board the Bookkeeper's Report for May 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 E*.

Ms. Pfeffer reported that the next debt service payment will be made in July to meet the August deadline.

Ms. Pfeffer reported that after speaking with Director Klenk, the investment officer, she transferred \$760,000 into the TexPool account, which currently offers an interest rate of 1.30%.

Ms. Pfeffer reported on the unclaimed property in the District.

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.

Ms. Pfeffer and Mr. Wilson reported on a letter received from Simple Recycling regarding terminating the contract. Mr. Wilson stated that due to COVID-19, Simple Recycling is requesting that the Board terminate the contract and waive any amounts that are owed 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 approve termination of the contract with Simple Recycling and to waive any amounts still owed to the District.

11. Review and approve Investment and Ethics Policies, qualified broker list, and accept party related disclosures. Mr. Wilson presented to and reviewed with the Board the Investment and Ethics Policy and the qualified broker list, a copy of which is attached hereto as *Exhibit F*. He stated that no revisions are recommended at this time. 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 Investment and Ethics Policy, the qualified broker list, and to accept the party related disclosures of the bookkeeper and investment officer.

12. 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 May 2020, a copy of which is attached hereto as *Exhibit G*.

Mr. Wilson reported on the replacements of leaking U-branches at 4743 Ten Sleep Lane and 4810 Pleasant Plains.

Mr. Wilson reported that 25 meters over one million were changed out within the month as part of the meter change out program.

Mr. Wilson reported that landscaping was replaced at six locations after a valve repair.

Mr. Wilson reported that the line at 2906 Early Turn was televised and an issue was found on the homeowner's line.

Mr. Wilson reported that the line at 2427 Heritage Bend was televised and an issue was found on the District line. He stated that the repair has begun.

Mr. Wilson reported on the May repairs and maintenance at the Signal Hill L3 lift station.

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

Discussion ensued regarding the interconnect that the District used to share with Friendswood and the District water accountability issues. Mr. Wilson reported that the accountability was 83.6% for the period between March 2020 and April 2020.

Mr. Wilson reviewed the cut off list with the Board. Discussion ensued regarding the water termination during the COVID-19 epidemic. He stated that the water suspension request from Judge Hidalgo was not renewed and the Board can move forward with late fees and water terminations. Discussion ensued regarding the Board's options. 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 resume charging late fees to late payment accounts for the next billing cycle.

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 Operations Report.

13. 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 developer notified BGE that the comments are currently being addressed and that a revised plan set will be submitted for review.

b. Capacity Requests. There were no capacity requests.

c. BGE Authorized Projects:

1. **2020 Bond Issue Report.** Mr. Gaez reported that BGE is working on the bond application report and compiling the necessary attachments. He stated that the Resolution that was approved by the Board will assist in determining if the developer of Ellis Business Park qualifies for utility reimbursement based on the reimbursement agreement.
2. **Generator Enclosure Coating.** Mr. Wilson reported that BGE requested proposals from three contractors to address the coating issues with the generator enclosures. He stated that A&J Industrial & Commercial Painting, LLC ("A&J") submitted the low bid in the amount of \$5,800. Discussion ensued regarding the bids and the scope of work. 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 proposal from A&J in the amount of \$5,800 as an operator maintenance item.

d. COH / County Projects

1. **City of Houston (“COH”) Southeast Transmission Line (surface water line):** Mr. Gaez reported that he has not received any updates.

2. **Blackhawk Treatment Plant.** Mr. Gaez reported that there are no new updates. The Board briefly discussed one of the participant’s issues with the water pressure.

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 Engineer’s Report.

14. Park and Recreational Facility Report. Mr. Cloud presented to and reviewed the Park and Facility Report, a copy of which is attached hereto as *Exhibit I*. He stated that there are no issues to report.

15. Sewage Treatment Plant Operations Report. President Squires reported that there are no issues to report and that they are currently going through some personnel changes. President Squires reported that the next meeting will be scheduled soon.

16. Discuss Southeast Water Plant Report. President Squires reported there are no updates to report.

17. Discuss Maintenance of District Facilities. Director Longoria reported that there are no issues to report.

18. Discuss Board vacancy and take any necessary action. President Squires reported that Director Swinney officially resigned from the Board because he no longer lives in the District.

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 July 21, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors