

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

October 1, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 355 (the "District") met in regular session, open to the public, on the 1st day of October, 2021, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

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|-----------------------|--------------------------|
| Kurt A. Baerenstecher | President |
| Claude A. Zackary | Vice President |
| Jon Elmendorf | Secretary |
| Gary D. Lower | Assistant Vice President |
| Letha P. Slagle | Assistant Secretary |

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were Kurt Albaugh, resident of the District and Chair of the Lakes of Parkway Architectural Review Committee; Patty Rodriguez of Bob Leared Interests, Inc.; Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; Scott Gray of Champions Hydro-Lawn, Inc.; Andy Mersmann of BGE, Inc. ("BGE"); and Jessica Holoubek and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board. No one joined the meeting via telephone.

PUBLIC COMMENTS

Mr. Albaugh addressed the Board regarding the District's proposed replacement of a flap gate and current and future construction projects.

APPROVE MINUTES

The Board considered approving the minutes of its September 3, 2021, meeting. Following review and discussion, Director Zackary moved to approve the minutes as written. Director Slagle seconded the motion, which was approved unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Rodriguez reviewed the tax assessor/collector's report and invoices for

payment. A copy of the tax assessor/collector's report, including a list of checks presented for approval, is attached. Ms. Rodriguez reported that as of September 30, 2021, 98.3% of the District's 2020 taxes were collected. Discussion ensued regarding the District's delinquent tax accounts and the Lakes of Parkway Homeowners Association's (the "HOA") delinquent fee accounts. Following review and discussion, Director Lower moved to approve the tax assessor/collector's report and payment of the invoices as presented. Director Slagle seconded the motion, which was approved unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Rodriguez stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$0.06.

Director Baerenstecher opened the public hearing. Mr. Albaugh expressed his concern that the District may lower its tax rate too much and too quickly causing it to be unable to continue to support projects that benefit the residents of the District. There being no additional comments from the public, Director Baerenstecher closed the public hearing.

Ms. Holoubek presented an Order Levying Taxes reflecting the proposed 2021 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County.

After review and discussion, Director Elmendorf moved to: (1) adopt the Order Levying Taxes reflecting a total 2021 tax rate of \$0.06 per \$100 of assessed valuation, comprised of \$0.03 to pay debt service and \$0.03 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the order and amendment be filed appropriately and retained in the District's official records. Director Lower seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Hawthorne presented the bookkeeper's report and invoices for payment. A copy of the bookkeeper's report, including a list of checks presented for approval, is attached. Following discussion regarding the budgeted amounts for street ponding projects, Mr. Hawthorne stated that he will research the matter and report back to the Board. Following review and discussion, Director Zackary moved to approve the bookkeeper's report and payment of the invoices as presented. Director Elmendorf seconded the motion, which was approved unanimously.

DETENTION AND DRAINAGE FACILITIES MAINTENANCE AND DESILTATION
MAINTENANCE OF HARRIS COUNTY FLOOD CONTROL DISTRICT'S ("HCFCD")
OUTFALL CHANNEL

Mr. Gray presented a Detention and Drainage Facilities Report and reported on maintenance items. A copy of the report is attached.

Mr. Gray presented photographs of the desiltation maintenance performed by HCFCD on its outfall channel and responded to questions. Copies of the photographs are attached.

In response to Mr. Albaugh's request for maintenance of the District's fence, the Board authorized Mr. Gray to paint the fence where needed.

ENGINEERING MATTERS

Mr. Mersmann presented the engineer's report, a copy which is attached. Mr. Mersmann reported on the status of construction for the Lakeshore Way Drainage Improvements Project. He reviewed items remaining to be completed by Millis Equipment LLC ("Millis") and responded to Board members' inquiries regarding the items and anticipated adjustments to the District's contract with Millis.

Director Zackary reported that Westco Grounds Maintenance, LLC ("Westco") will begin replacement of landscaping for the areas impacted by the District's Lakeshore Way Drainage Improvements Project in the amount of \$3,900.00. He reminded the Board that the \$2,720.00 included in the District's contract with Millis for the replacement of landscaping will be deducted from the contract. He discussed the differences in the scope of work for the replacement of landscaping to be performed by Westco and included in the District's contract with Millis. Following discussion, Director Lower moved to authorize reimbursement of the HOA for Westco's replacement of landscaping for the areas impacted by the District's project in the amount of \$3,900.00. Director Zackary seconded the motion, which was approved unanimously.

In response to Mr. Albaugh's request for the mortar to be redone on the headwalls, Mr. Mersmann stated he will make an inquiry to Millis but it may not be addressed because the work has already been accepted.

Director Baerenstecher discussed BGE's proposal presented last month for design of amenity lake and irrigation system process and instrumentation diagrams in an amount not to exceed \$64,100.00. A copy of the proposal is attached to the engineer's report. Following review and discussion, the Board concurred to defer this item.

Mr. Mersmann reported that he received email correspondence from a car dealership located on the border of the District regarding a proposed expansion of the

dealership.

Mr. Mersmann stated that he anticipates bringing cost estimates for the proposed replacement of the 48-inch flap gate for the District's storm sewer outfall into HCFCD's drainage channel with a lighter weight flap gate to the Board's November 5, 2021, meeting.

WATER CONSERVATION PROJECT, PHASE II

Director Baerenstecher reported on the status of the District's Water Conservation Project, Phase II, pursuant to the District's Service Agreement with Waterwise Irrigation, Inc. He stated that approximately half of the authorization for the project has been expended.

Director Baerenstecher discussed an anticipated Phase III for the District's Water Conservation Project to address additional maintenance issues with the common area irrigation system, including broken pipes caused by water hammering and repair and replacement of old components in the approximate amount of \$100,000.00 to \$150,000.00. He reported that Pam Seghers, resident of the District and Chair of the Lakes of Parkway Landscape Committee, inquired whether the District would fund a proposed engineering analysis of the common area irrigation system by Hines, Inc. to determine the scope of work needed for Phase III in the approximate amount of \$10,000.00 to \$15,000.00. Following discussion, the Board concurred to table discussion regarding a proposed Water Conservation Project, Phase III at this time.

PRESENTATION REGARDING CLOSEOUT OF DRAINAGE SYSTEM IMPROVEMENT PROJECT

Mr. Albaugh stated that he will distribute a Dropbox link to his closeout report for the District's Drainage System Improvement Project.

PRESENTATION REGARDING REQUEST FOR TECHNICAL SUPPORT FOR MAPPING AND LABELING OF CITY OF HOUSTON'S ("COH") WATER MAIN SYSTEM ISOLATION VALVES

Mr. Albaugh requested the District's assistance with assisting COH with locating and labeling its water main system isolation valves. Members of the Board recommended that he contact the COH Council Member for assistance.

MEETING SCHEDULE

Following discussion, the Board concurred to hold its next regular meeting at 12:00 p.m. on Friday, November 5, 2021, at ABHR's offices.

CONTRACT MATTERS

The Board discussed correspondence received from Hudson Energy regarding future increased charges to the District pursuant to the District's electricity contract for unknown and unanticipated ancillary services required by the Electric Reliability Council of Texas in response to Winter Storm Uri.

There being no further business to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE OCTOBER 1, 2021, BOARD MEETING]




Secretary, Board of Directors

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