

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

September 3, 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 3<sup>rd</sup> day of September, 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:

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 Brian Krueger of BKD, LLP; Spencer Day of Masterson Advisors LLC; Arturo Cornejo of Municipal Accounts & Consulting, L.P. ("MAC"); Scott Gray of Champions Hydro-Lawn, Inc.; Andy Mersmann of BGE, Inc.; and Greer Pagan 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.

On the telephone were Kurt Albaugh, resident of the District and Chair of the Lakes of Parkway Architectural Review Committee; Tammy Meador, resident of the District and member of the Board of Directors of the Lakes of Parkway Homeowners Association (the "HOA"); Pam Seghers, resident of the District and Chair of the Lakes of Parkway Landscape Committee; and Patty Rodriguez of Bob Leared Interests, Inc.

PUBLIC COMMENTS

Members of the public attending the meeting by telephone were offered the opportunity to make public comment. Mr. Albaugh addressed the Board to (1) request updates on the District's Lakeshore Way Drainage Improvements Project; (2) provide an update on his preparation of a final closeout report for the District's Drainage System Improvement Project; (3) provide an update on a homeowner's use of the District's certification documenting excess capacity in the District's overall detention system for a pool construction permit application to the City of Houston ("COH"); and (4) provide

an update on the HOA's submission of requests to COH for the installation of a security fence at lift station no. 1 and emergency generators for lift station nos. 1 and 2.

#### APPROVE MINUTES

The Board considered approving the minutes of its August 13, 2021, meeting. Following review and discussion, Director Zackary moved to approve the minutes as written. Director Elmendorf seconded the motion, which was approved unanimously.

#### ENGAGE AUDITOR

Mr. Krueger reviewed a proposal to conduct the District's audit for fiscal year end September 30, 2021. He stated that the proposed fee for the annual audit was \$17,400.00, plus fees and expenses. Following review and discussion, Director Elmendorf moved to engage BKD, LLP to conduct the District's audit for fiscal year end September 30, 2021. Director Lower 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 August 31, 2021, 98.1% of the District's 2020 taxes were collected. Following review and discussion, Director Slagle moved to approve the tax assessor/collector's report and payment of the invoices as presented. Director Lower seconded the motion, which was approved unanimously.

#### DISCUSS 2021 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2021 TAX YEAR, SET PUBLIC HEARING DATE, AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE, FINANCIAL AND BOOKKEEPING MATTERS, AND ADOPT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2022

The Board considered the District's 2021 tax rate. Mr. Pagan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2021 tax year.

Mr. Day distributed and reviewed a 2021 Debt Service Tax Rate Recommendation reflecting the recommendation for the District to levy a 2021 debt service tax rate of \$0.03 per \$100 of assessed valuation, based on the District's initial 2021 certified value of \$668,433,214.00, plus \$23,754,196.00 representing 80% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Pagan discussed the two-step process for setting the District's tax rate.

Mr. Cornejo 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.

Mr. Cornejo presented a draft budget for fiscal year end September 30, 2022. Discussion ensued regarding proposed modifications to line items in the budget, including the Water Conservation Project, Phase II, and the Operating System Diagram Project.

Following review and discussion, Director Elmendorf moved to: (1) adopt a Resolution Regarding Development Status for 2021 Tax Year establishing the District as a Developed district for the 2021 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the resolution be filed appropriately and retained in the District's official records; and (2) authorize the tax assessor/collector to publish notice in a qualified local newspaper of the District's public hearing date on October 1, 2021, to set the proposed 2021 total tax rate of \$0.06 per \$100 of assessed valuation, with \$0.03 allocated for debt service and \$0.03 allocated for operations and maintenance. Director Lower seconded the motion, which passed unanimously.

Following review and discussion, Director Slagle moved to (1) approve the bookkeeper's report and payment of the invoices as presented; and (2) adopt the budget for fiscal year end September 30, 2022, subject to the modifications as discussed. Director Zackary 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. Mersmann responded to inquiries from Directors regarding the design and functionality of the 48-inch flap gate for the District's storm sewer outfall into HCFCD's drainage channel and the District's detention and drainage facilities. Mr. Mersmann stated that he will obtain a cost estimate for replacement of the flap gate with a lighter weight flap gate. Discussion ensued.

Following review and discussion, Director Slagle moved to approve the Detention and Drainage Facilities Report. Director Elmendorf seconded the motion, which was approved unanimously.

There was no update on HCFCD's schedule for desiltation maintenance of its drainage channel.

#### ENGINEERING MATTERS

Mr. Mersmann presented the engineer's report, a copy which is attached. Mr. Mersmann reported on the status of construction of Lakeshore Way Drainage Improvements Project and stated that completion of the project has been delayed due to the contractor's personnel experiencing COVID-19 issues. He reported on meetings held onsite and discussion ensued regarding the delays and the plan for moving the project quickly towards completion. Additional discussion ensued regarding replacing landscaping on the areas impacted by the project. Following discussion, Director Slagle moved to authorize reimbursement of the HOA for Westco Grounds Maintenance, LLC's replacement of landscaping on the areas impacted by the District's project in the amount of \$3,500.00. Director Zackary seconded the motion, which was approved by unanimous vote.

Mr. Mersmann presented a proposal for design of amenity lake and irrigation system process and instrumentation diagrams in an amount not to exceed \$9,100.00. A copy of the proposal is attached to the engineer's report. Following review and discussion, the Board concurred to defer this item.

#### 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.

#### CONTRACT MATTERS

There was no discussion on this item.

#### PRESENTATIONS REGARDING CLOSEOUT OF DRAINAGE SYSTEM IMPROVEMENT PROJECT AND REQUEST FOR TECHNICAL SUPPORT FOR MAPPING AND LABELING OF COH'S WATER MAIN SYSTEM ISOLATION VALVES

The Board concurred to defer these items.

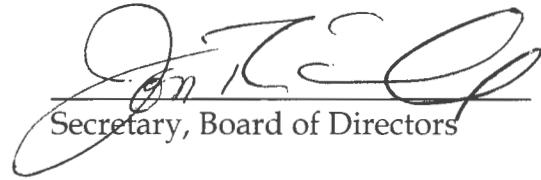
## MEETING SCHEDULE

Following discussion, the Board concurred to hold its next regular meeting at 12:00 p.m. on Friday, October 1, 2021, at ABHR's offices.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE SEPTEMBER 3, 2021, BOARD MEETING]



  
Secretary, Board of Directors

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