

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

July 1, 2022

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 July, 2022, at the offices of Allen Boone Humphries Robinson LLP ("ABHR"), 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 in person, except for Director Zackary who attended by teleconference, thus constituting a quorum.

Also present for all or part of the meeting were Kurt Albaugh, Tammy Meador, and Pam Seghers, residents of the District; Kelly Brezger of the Lakes of Parkway Homeowners Association (the "HOA"); Patty Rodriguez of Bob Leared Interests, Inc.; Cory Burton and Darrell Hawthorne of Municipal Accounts & Consulting, L.P.; Scott Gray of Champions Hydro-Lawn, Inc.; Andy Mersmann of BGE, Inc. ("BGE"), Christine Crotwell of Masterson Advisors; and Greer Pagan and Justine M. Cherne of ABHR.

The District established a telephone option for members of the public to listen to the meeting and to address the Board. Director Zackary was on the telephone.

PUBLIC COMMENTS

Mr. Albaugh addressed the Board to request a copy of the District's map in electronic format, and recommendations for trash and recycling companies and associated contracts, and bulkhead repair contractors. Mr. Brezger addressed the Board to request additional contact information for Waste Management.

APPROVE MINUTES

The Board considered approving the minutes of its May 6, 2022, meeting. Following review and discussion, Director Elmendorf moved to approve the minutes as written. Director Lower seconded the motion, which passed unanimously.

2022 DIRECTORS ELECTION, REORGANIZE THE BOARD, AND FILING OF DISTRICT REGISTRATION FORM

The Board reviewed Certificates of Election reflecting the election of Letha P. Slagle and Claude A. Zackary to the Board for four-year terms.

The Board reviewed the Sworn Statements and Oaths of Office for Directors Slagle and Zackary.

The Board considered reorganizing. Following discussion, the Board concurred not to reorganize at this time.

The Board then reviewed a District Registration Form reflecting the terms of the newly elected directors and current contact information for the District's consultants.

Following review and discussion, Director Elmendorf moved to (1) approve the Certificates of Election and the distribution of same to Directors Slagle and Zackary, and direct that the certificates be filed appropriately and retained in the District's official records; (2) approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law; and (3) authorize filing the updated District Registration Form with the Texas Commission on Environmental Quality and direct that the District Registration Form be retained in the District's official records. Director Lower seconded the motion, which passed 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 June 30, 2022, 97.9% of the District's 2021 taxes were collected. She then reviewed the District's preliminary assessed valuation received from the Harris County Appraisal District ("HCAD") and delinquent tax accounts. Following review and discussion, Director Elmendorf moved to approve the tax assessor/collector's report and payment of the invoices as presented. Director Lower seconded the motion, which passed unanimously.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Mr. Pagan explained procedures related to collection of delinquent taxes and additional penalties applied to delinquent taxes, including the additional 20% penalty to be assessed to delinquent taxpayers on July 1, 2022. Following review and discussion, Director Elmendorf moved to authorize the District's delinquent tax attorney to proceed with collection of delinquent taxes. Director Lower seconded the

motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR

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 2022 tax year. Following review and discussion, Director Elmendorf moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developed district for the 2022 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. Director Lower seconded the motion, which was approved unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS (“AWBD”) CONFERENCES

The Board discussed topics presented at the AWBD summer conference and reviewed Directors’ conference expenses.

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 and the quarterly investment report, is attached. In response to Board members’ inquiries, Mr. Hawthorne stated that he will determine why the District’s actual landscaping fees are \$7,000.00 more than budgeted and notify the Board by e-mail. Following review and discussion, Director Slagle moved to approve the bookkeeper’s report, including reimbursement of eligible expenses for the AWBD summer conference. Director Elmendorf seconded the motion, which passed unanimously.

Following discussion, Director Elmendorf moved to authorize Directors’ attendance at the winter conference. Director Slagle seconded the motion, which passed unanimously.

DETENTION AND DRAINAGE FACILITIES MAINTENANCE

Mr. Gray reviewed a Detention and Drainage Facilities Report and reported on maintenance items. A copy of the report is attached. Discussion ensued regarding the District’s removal of a brick that was wedged under the District’s larger flap gate due to concerns that nutria will gain access into the District through the open gate. Mr.

Mersmann responded to Ms. Segher's and Ms. Meador's questions regarding the design of the outflow pipes for Palm and Opal Lakes.

The Board discussed a resident's concerns regarding standing water in a drainage ditch near Jade Cove Court. Mr. Gray reviewed photographs indicating that the area has been dry and stated that the slope of the ditch could be evaluated.

ENGINEERING MATTERS, INCLUDING REPLACEMENT OF FLAP GATE

Mr. Mersmann reported on the status of replacing the District's larger flap gate with a lighter aluminum flap gate. A copy of the engineer's report is attached. Mr. Mersmann stated that the materials for the project were delivered last week and Canyon Construction Co., Inc. will schedule the installation to begin in two or three weeks. In response to Mr. Albaugh's question, Mr. Mersmann stated that the delivery of the materials took approximately one month longer than anticipated.

Director Baerenstecher discussed a previously distributed report containing recommendations from the HOA's consultant, Hines, Inc., for replacing the common area Irrigation Pump Stations 100 and 200. Director Baerenstecher recommended that the District engage BGE to provide engineering services for the proposed irrigation pump replacement project for use by the HOA to solicit bids for a contract for the project. He noted that BGE originally designed the irrigation system. Director Baerenstecher recommended paying for BGE's engineering services for the proposed irrigation pump replacement project with the funds currently budgeted for the LOP Operating System Diagram project.

Mr. Mersmann reviewed BGE's Proposal for Preparation of Specifications and Request for Quotation for Replacement of Irrigation Pump Stations 100 and 200 in an amount not to exceed \$50,000.00, a copy of which is attached to the engineer's report. Discussion ensued regarding opportunities for the appointed HOA representative for the project, and the HOA's irrigation system vendors and operators to participate in the preparation of the specifications, including performance specifications, and request for quotation. Additional discussion ensued regarding the schedule for the proposed project. In response to questions, Director Baerenstecher explained that there is no need to replace Irrigation Pump Station 300 because it is functioning as designed. Discussion ensued regarding evaluations performed and the costs for placing covers on the irrigation pump stations which is not included in the proposed replacement project. Following review and discussion, Director Elmendorf moved to authorize execution of BGE's proposal as presented. Director Slagle seconded the motion, which passed unanimously.

Mr. Brezger thanked the Board for approving BGE's proposal for the proposed project to replace common area Irrigation Pump Stations 100 and 200 and discussed coordination with the District on the project.

WATER CONSERVATION PROJECT, PHASES II AND III

Ms. Segher gave a presentation and responded to questions regarding Waterwise Irrigation, Inc.'s proposed replacement of the common area irrigation drip lines in the median located on Lakes of Parkway Boulevard behind the guard house, and the two medians located on Barnhart Boulevard between Lakes of Parkway Boulevard and Summit Park Drive, and Summit Park Drive and Bay Front Drive with new modern conventional spray heads to promote water conservation and lower irrigation system and landscaping maintenance costs. A copy of Ms. Segher's presentation is attached. Discussion ensued regarding the District's water conservation achievements and goals and the HOA's ongoing lake level management and plans for repairing bulkheads. Following review and discussion, Director Slagle moved to approve Waterwise Irrigation, Inc.'s replacement of the common area irrigation drip lines in the medians as recommended in an amount not to exceed \$30,000.00. Director Elmendorf seconded the motion, which passed unanimously.

CONTRACT MATTERS

The Board concurred to defer this item.

CASH FLOW FORECAST SCENARIO 1 AND 2

Director Baerenstecher discussed the District's projected long-term operating cash flows and debt service requirements.

Ms. Crotwell reviewed with the Board two previously distributed preliminary debt service tax rate recommendations based on the District's 2022 preliminary assessed valuation recently provided by HCAD. She stated that the scenarios contain different proposed annual transfers from the District's Operating Fund to the Debt Service Fund.

Mr. Burton reviewed with the Board two previously distributed cash flow forecast scenarios with proposed annual transfers from the District's Operating Fund to the Debt Service Fund that match Ms. Crotwell's analyses.

Mr. Pagan explained tax levy procedures in response to Board members' questions.

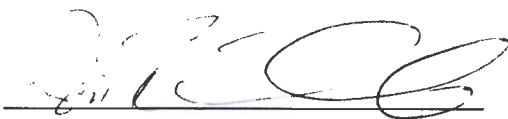
MEETING SCHEDULE

Following discussion, the Board concurred to hold its next regular meeting at 12:00 p.m. on Friday, August 5, 2022, at ABHR's offices.

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

(SEAL)




Secretary, Board of Directors

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