

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

July 14, 2023

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 14th day of July, 2023, 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
Letha P. Slagle	Assistant Secretary
Christopher J. Mudd	Assistant Vice President

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; Michelle Villegas, General Manager of the Lakes of Parkway Homeowners Association ("LOP HOA"); Patty Rodriguez of Bob Leared Interests, Inc.; Rahi Patel of Municipal Accounts & Consulting, L.P.; Luis Cebrian of Champions Hydro-Lawn, Inc.; Andy Mersmann of BGE, Inc. ("BGE"); Mary DuBois of Acclaim Energy; and Brooke Milbauer and Justine M. Cherne of ABHR.

PUBLIC COMMENTS AND ENGINEERING MATTERS

Mr. Albaugh requested that the Board direct BGE to update the District's map delineating ownership and maintenance responsibilities of the District and LOP HOA. Following review and discussion, the Board authorized Mr. Mersmann to determine whether BGE can update the map, and if so, provide the Board with a quote for the proposed scope of work.

Mr. Albaugh expressed appreciation for the assistance provided by the District related to obtaining electricity service for the meter at Oak Lake.

APPROVE MINUTES

The Board considered approving the minutes of its May 5, 2023, regular meeting. Following review and discussion, Director Elmendorf moved to approve the minutes as written. Director Mudd 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 August 31, 2023, 97.8% of the District's 2022 taxes were collected. She reviewed the District's preliminary appraised and taxable values as reported by the Harris Central Appraisal District. Following review and discussion, Director Zackary moved to approve the tax assessor/collector's report and payment of the invoices as presented. Director Elmendorf seconded the motion, which passed unanimously.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. Milbauer explained procedures related to the collection of delinquent taxes and additional penalties applied to delinquent taxes, including the additional 20% penalty assessed to delinquent taxpayers on July 1, 2023. Following review and discussion, Director Slagle moved to authorize the District's delinquent tax attorney to proceed with the collection of delinquent taxes. Director Zackary seconded the motion, which passed unanimously.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Ms. Milbauer 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. She 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 2023 tax year. Following review and discussion, Director Elmendorf moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 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 Zackary seconded the motion, which passed unanimously.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Milbauer presented and reviewed ABHR's Capitol Report and updated the Board on legislative matters from the 88th Regular Texas Legislative Session.

DIRECTOR PER DIEMS

Ms. Milbauer stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. After discussion, Director Elmendorf moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of June 18, 2023. Director Baerenstecher seconded the motion. Following discussion, the motion passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Milbauer reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Milbauer explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Harris County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Zackary moved to authorize execution of the Amendment to Information Form and to authorize filing with Harris County and the TCEQ. Director Elmendorf seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Patel 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 District's quarterly investment report, is attached.

The Board reviewed a Cash Flow Forecast over five years and the budgetary impact of a proposed project to replace Irrigation Pump Station Nos. 100 and 200 in the estimated total amount of \$557,000.00. Discussion ensued. Following review and discussion, the Board requested that Ms. Villegas present data regarding LOP HOA's historical and planned groundwater use and reduction efforts at the August meeting.

Following review and discussion, Director Zackary moved to approve the bookkeeper's report. Director Elmendorf seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed topics presented at the AWBD summer conference. Directors' eligible expenses for the conference were previously approved in the bookkeeper's report. Following review and discussion, Director Elmendorf moved to authorize Directors' attendance at AWBD's winter conference. Director Zackary seconded the motion, which passed unanimously.

PROPOSAL FOR PAYROLL ADMINISTRATION

Mr. Patel reviewed a proposal from HR&P, Inc. for payroll administration services, including direct deposit of director per diems. Following discussion, the Board concurred that the services were not necessary at this time.

DETENTION AND DRAINAGE FACILITIES MAINTENANCE, AND LOP HOA'S REQUEST FOR ACCESS TO THE DISTRICT'S SWALE

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

Mr. Cebrian reviewed photographs of the District's Teal Cove swale facility impacted by LOP HOA's replacement of a brick wall with a wood fence. He stated that certain areas accessed by LOP HOA's contractor needed minor repairs and that grass establishment was important. Mr. Mersmann recommended a \$10,000.00 deposit be provided by LOP HOA for any remediation necessary to restore the District's swale facility pursuant to the District's Facilities Access Policy. Discussion ensued regarding the District's policy and the status of LOP HOA's project. Following discussion, the Board requested that Ms. Villegas retain the appropriate amount from the contract to provide for restoration of the District's swale facility to the District's standards.

Discussion ensued regarding whether the swale contained St. Augustine or Bermuda grass and which type of grass should be planted to restore the swale. Mr. Mersmann stated that planting St. Augustine on the swale would cost approximately \$23,000.00 more than planting Bermuda and required watering if there was no rain. He stated there was no water source for the swale. Discussion ensued. Following review and discussion, the Board requested that a barrier be installed along the fence to prevent creep of the grass from the swale into homeowners' yards. The Board authorized Mr. Mersmann and Mr. Cebrian to (1) collaborate on the specifications for restoring the District's Teal Cove swale facility, including the type of grass to be planted; (2) communicate the specifications to Ms. Villegas to communicate to LOP HOA's contractor to implement; and (3) inspect the swale facility after restoration.

ENGINEERING MATTERS (CONTINUED)

Mr. Mersmann reported that BGE was addressing additional comments received from Pam Seghers related to the documents prepared by BGE for the proposed LOP HOA project to replace Irrigation Pump Station Nos. 100 and 200. Discussion ensued regarding the proposed project, including the specifications for the amount and pressure of water to be delivered by the system without water hammering and anticipated construction procedures.

WATER CONSERVATION PROJECT, PHASE III

The Board concurred to defer this item.

CONTRACT MATTERS

Director Baerenstecher reported on a meeting that he and Director Zackary held with the President and Vice President of LOP HOA to review LOP HOA's 2024 budget. He stated that a \$200.00 increase in LOP HOA's maintenance fee was proposed during the meeting. Director Baerenstecher stated that he will prepare an analysis of LOP HOA's 2024 budget for Board review. Discussion ensued.

ACCLAIM ENERGY MANAGEMENT AGREEMENT - ESTABLISHED DISTRICTS

Ms. DuBois reported on current energy consulting services provided to the District by Acclaim Energy and Acclaim Energy's compensation for those services. She reviewed an Acclaim Energy Management Agreement - Established Districts containing fixed fees for adding meters and other miscellaneous services. Following review and discussion, Director Elmendorf moved to authorize execution of the agreement as presented. Director Zackary seconded the motion, which passed unanimously.


MEETING SCHEDULE

The Board concurred to reschedule its August regular meeting to 12:00 p.m. on Friday, August 11, 2023, at ABHR's offices.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax Assessor/Collector's Report.....	2
Bookkeeper's Report.....	3
Detention and Drainage Facilities Report	4