

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

August 11, 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 11th day of August, 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 and Jim Loughead, residents of the District; Kelly Breger, Secretary of the Board of Directors of the Lakes of Parkway Homeowners Association ("LOP HOA"); Michelle Villegas, General Manager of LOP HOA; Patty Rodriguez of Bob Leared Interests, Inc.; Rahi Patel of Municipal Accounts & Consulting, L.P.; Luis Cebrian of Champions Hydro-Lawn, Inc. ("CHL"); Andy Mersmann of BGE, Inc. ("BGE"); and Jessica Holoubek and Justine M. Cherne of ABHR.

PUBLIC COMMENTS AND ENGINEERING MATTERS

Mr. Loughead reviewed a list of five questions related to his and other residents' concerns and requesting clarification of the process followed by LOP HOA for access to the District's drainage swale facility for LOP HOA's project to replace a brick wall with a wood fence. A copy of the list is attached. Ms. Holoubek explained that the District cannot prevent LOP HOA from accessing the drainage swale facility.

Mr. Albaugh requested that the Board direct BGE to update the District's map delineating ownership interests and responsibilities of the District and LOP HOA, including along the front of residences to the curb of the streets. Following discussion, the Board authorized Mr. Mersmann to update the map, as discussed.

Mr. Albaugh requested that the Board direct BGE to provide all of the District's easement drawings electronically to LOP HOA. Following discussion, the Board authorized Mr. Mersmann to provide the requested drawings on a thumb drive to LOP HOA.

APPROVE MINUTES

The Board considered approving the minutes of its July 14, 2023, regular meeting. Following review and discussion, Director Elmendorf moved to approve the minutes as written. Director Zackary 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 July 31, 2023, 98.2% of the District's 2022 taxes were collected. 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.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

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, is attached. Mr. Patel presented additional check no. 5487 for payment of a per diem to Director Baerenstecher in the amount of \$204.10.

Mr. Patel presented a draft budget for fiscal year ending September 30, 2024.

Director Baerenstecher reviewed a 2023 Debt Service Tax Rate Recommendation prepared by the District's financial advisor, Anthea Moran. He stated that the recommendation is preliminary because certified taxable values have not yet been reported by the Harris Central Appraisal District. Discussion ensued regarding anticipated 2023 tax rates and 2024 account balances, debt service amounts, and revenues, including the scheduled transfer of \$400,000.00 from the General Operating Fund to the Debt Service Fund by the end of the month.

Following review and discussion, Director Elmendorf moved to approve the bookkeeper's report, including the additional check as presented. Director Slagle seconded the motion, which passed unanimously.

The Board reviewed and discussion ensued regarding line items included in the draft budget for fiscal year ending September 30, 2024. The Board additionally discussed the proposed replacement of Irrigation Pump Station Nos. 100 and 200 in the estimated total amount of \$500,000.00, including the impact of the replacements on the District's budget, and procedures and the anticipated schedules for the replacements. The Board then reviewed an analysis of LOP HOA's 2024 budget provided by Director Baerenstecher and historical water well usage information provided by LOP HOA,

copies of which are attached. Discussion ensued, including implementing proposed requirements for LOP HOA to keep the homeowners' fees at the current rate and present a plan for groundwater use and reduction prior to the District performing the proposed irrigation pump station replacement project. Additional discussion ensued. Following review and discussion, the Board requested that Mr. Patel prepare two draft budgets for review at the September regular meeting: one to include \$250,000.00 for the proposed replacement of Irrigation Pump Station No. 200 and one without a line item for the project.

DETENTION AND DRAINAGE FACILITIES MAINTENANCE

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

ENGINEERING MATTERS (CONTINUED)

Mr. Mersman presented a memorandum providing recommendations for reestablishing grass growth to pre-construction conditions in the Teal Cove Swale and a cost estimate of \$19,595.00 for the recommendations, a copy of which is attached. Discussion ensued regarding identifying the cost as an expense to be paid by LOP HOA. Additional discussion ensued regarding whether LOP HOA's contractor or CHL should perform the recommendations included in the memorandum. The Board concurred that its preference was for CHL to reestablish the swale to pre-construction conditions and noted that LOP HOA would be back charged for any subsequent work done by CHL, if LOP HOA's contractor was unable to meet the District's inspection requirements. Discussion ensued. In response to Board inquiries, Ms. Villegas stated that LOP HOA anticipates moving forward with the second half of its fence replacement project within the next week and reestablishing grass growth would most likely start at the beginning of September 2023.

LOP HOA WATER USE PRESENTATION

Ms. Villegas distributed updated data related to LOP HOA's historical water well usage and meter readings over the prior three years, copies of which are attached. She reported on LOP HOA's water conservation efforts, including continued monitoring of lake levels and irrigation system usage, repairing irrigation system leaks, and transitioning to more efficient irrigation systems.

WATER CONSERVATION PROJECT, PHASE III

Discussion ensued regarding possible scopes of work for a proposed Water Conservation Project, Phase III, including the previously discussed proposed replacement of Irrigation Pump Station Nos. 100 and 200.

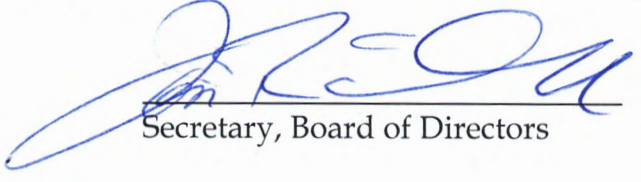
CONTRACT MATTERS

There was no discussion regarding this item.

MEETING SCHEDULE

The Board concurred to reschedule its September regular meeting to 12:00 p.m. on Friday, September 8, 2023, at ABHR's offices.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
List of five questions.....	1
Tax Assessor/Collector’s Report.....	2
Bookkeeper’s Report.....	2
Analysis of LOP HOA’s 2024 budget.....	2
LOP HOA historical water well usage information	2
Detention and Drainage Facilities Report	3
Memorandum regarding Teal Cove Swale	3
Updated data and meter readings.....	3