

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

September 8, 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 8th day of September, 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, Ritz Castro, Jim Loughead, and Pam Seghers, 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; Brian Krueger of FORVIS, LLP; Patty Rodriguez of Bob Leared Interests, Inc.; Luis Cebrian of Champions Hydro-Lawn, Inc. ("CHL"); Andy Mersmann of BGE, Inc. ("BGE"); Rahi Patel of Municipal Accounts & Consulting, L.P.; Anthea Moran of Masterson Advisors LLC; and Greer Pagan and Sydney Durham of ABHR.

PUBLIC COMMENTS AND ENGINEERING MATTERS

Mr. Loughead discussed a presentation he gave to the Board of LOP HOA regarding his and other residents' concerns related to LOP HOA's project to replace a brick wall with a wood fence.

Ms. Seghers addressed the Board to request a copy of the Request for Qualifications related to the proposed replacement of Irrigation Pump Station No. 200.

Mr. Albaugh requested that BGE provide all of the District's drawings electronically to LOP HOA. Mr. Mersmann provided an electronic copy of the drawings to Mr. Albaugh and stated that a copy will also be provided to LOP HOA.

APPROVE MINUTES

The Board considered approving the minutes of its August 11, 2023, regular meeting. Following review and discussion, Director Slagle moved to approve the

minutes as written. Director Mudd seconded the motion, which passed unanimously.

ENGAGE AUDITOR

Mr. Krueger reviewed a proposal to conduct the District's audit for fiscal year ending September 30, 2023. He stated that the proposed fee for the annual audit was \$19,300.00, including fees and expenses. Following review and discussion, Director Slagle moved to engage FORVIS, LLP to conduct the District's audit for fiscal year end September 30, 2023. 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 August 31, 2023, 98.7% of the District's 2022 taxes were collected. She additionally reported that the Harris Central Appraisal District certified the District's taxable value in the amount of \$793,550,159.00. Following review and discussion, Director Zackary moved to approve the tax assessor/collector's report and payment of the invoices as presented. Director Slagle seconded the motion, which passed unanimously.

ARBITRAGE REBATE REPORT FOR SERIES 2013 REFUNDING BONDS

Mr. Pagan reported that the District is not required to remit payment to the Internal Revenue Service per the previously distributed arbitrage rebate and yield restriction liability report for the District's Series 2013 Refunding Bonds prepared by OmniCap Group, LLC.

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. Discussion ensued regarding coordination between CHL and LOP HOA on reestablishing grass growth to pre-construction conditions in the Teal Cove Swale. Following review and discussion, Director Elmendorf moved to approve the Detention and Drainage Facilities Report. Director Zackary seconded the motion, which passed unanimously.

ENGINEERING MATTERS (CONTINUED)

Mr. Mersman presented a draft map of Lakes of Parkway indicating ownership and maintenance responsibilities for common areas within the District. Discussion ensued regarding proposed revisions to the map. In response to inquiry, Mr. Pagan explained the history related to Harris County Flood Control District's acceptance of only one of the District's detention ponds. Mr. Pagan additionally recommended that

individual homeowners rely on the survey of their lots for building purposes.

FINANCIAL AND BOOKKEEPING MATTERS AND ADOPT 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. Discussion ensued regarding the District's revenues.

Mr. Patel presented a draft budget for fiscal year ending September 30, 2024, including Scenario A with no amount allocated to a proposed project to replace an irrigation pump station and Scenario B allocating \$250,000.00 to a proposed project to replace an irrigation pump station. The Board discussed proposed changes to line items to remove capital project items other than the proposed replacement of Irrigation Pump Station No. 200 and a water conservation item and increase the amount for the proposed replacement of the irrigation pump station to \$300,000.00.

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

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Pagan discussed the two-step process for setting the District's 2023 tax rate. Ms. Moran distributed and reviewed a 2023 Debt Service Tax Rate Recommendation reflecting the recommendation for the District to levy a 2023 debt service tax rate of \$0.03 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$793,550,159.00, plus \$21,463,2984.00 representing owners' opinion of the uncertified value under protest. A copy of the debt service tax rate recommendation is attached. The Board then discussed the District's budget and operation and maintenance tax rate.

Following review and discussion, Director Elmendorf moved to authorize the tax assessor/collector to publish notice in a qualified local newspaper of the District's public hearing on October 6, 2023, to set the proposed 2023 total tax rate of \$0.051 per \$100 of assessed valuation, with \$0.03 allocated for debt service and \$0.021 allocated for operations and maintenance. Director Mudd seconded the motion, which passed by majority vote, with Director Slagle opposed.

ADOPT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024 (CONTINUED)

The Board additionally discussed proposed modifications to line items in the draft budget for fiscal year end September 30, 2024, to include a total of \$330,000.00 for capital projects and a change to the maintenance and operations tax revenue per the adopted rate. Following review and discussion, Director Elmendorf moved to adopt

the budget for fiscal year ending September 30, 2024, subject to the modifications as discussed. Director Mudd seconded the motion, which passed unanimously. Mr. Patel calculated that the adopted budget contains a deficit in the amount of \$71,562.00.

WATER CONSERVATION PROJECT, PHASE III, AND CONTRACT MATTERS

The Board discussed a proposed Water Conservation Project, Phase III for replacement of Irrigation Pump Station No. 200. Following review and discussion, Director Baerenstecher moved to authorize funding for the proposed project to replace Irrigation Pump Station No. 200, subject to obtaining an agreement with LOP HOA that includes no increase in their maintenance fee for 2024. Director Mudd seconded the motion, which passed unanimously.

The Board discussed appointing Director Elmendorf as Project Manager for the proposed project to replace Irrigation Pump Station No. 200. Director Elmendorf agreed to accept the role, subject to LOP HOA following the agreed upon Request for Qualifications (“RFQ”) with no changes and allowing him to independently manage the project. Following discussion, the Board requested that ABHR draft an agreement with LOP HOA to obtain LOP HOA’s approval of the Board’s conditions related to the proposed project. The Board additionally requested that Mr. Mersmann provide copies of the final RFQ and a project plan for review at the October regular meeting. Ms. Seghers additionally requested that a copy of the final RFQ be provided to LOP HOA. Director Baerenstecher stated that the project will need to include mitigation for Asian Clams.

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on October 6, 2023.

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


Secretary, Board of Directors

(SEAL)



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