

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 355

February 2, 2024

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 2nd day of February, 2024, 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 except Director Mudd, thus constituting a quorum.

Also present for all or part of the meeting were Kurt Albaugh, Lakes of Parkway Homeowners Association ("LOP HOA") liaison; Patty Rodriguez of Bob Leared Interests, Inc.; Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); Luis Cebrian and Robert Garcia of Champions Hydro-Lawn, Inc.; Andy Mersmann of BGE, Inc. ("BGE"); and Greer Pagan and Justine M. Cherne of ABHR.

PUBLIC COMMENTS AND ENGINEERING MATTERS

Mr. Albaugh reported that LOP HOA has designated him as the liaison to the District.

Mr. Albaugh requested that the Board authorize BGE to prepare a map that identifies the locations of the City of Houston's water meters located in the District using data that he has collected. He explained that the map will assist with water conservation efforts. Following discussion, Director Elmendorf moved to authorize BGE to prepare the map as requested. Director Slagle seconded the motion, which passed unanimously.

APPROVE MINUTES

The Board considered approving the minutes of its January 5, 2024, regular meeting. Following review and discussion, Director Elmendorf moved to approve the minutes as written. Director Slagle 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 January 31, 2024, 89.6% of the District's 2023 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 Elmendorf seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered establishing the District's tax exemptions for the 2024 tax year and reviewed a proposed Resolution Concerning Exemptions from Taxation. Following review and discussion, Director Slagle moved to adopt a Resolution Concerning Exemptions from Taxation that exempts from ad valorem taxation the amount of \$10,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older and rejects the general residential homestead exemption. Director Zackary seconded the motion, which passed 3 to 0, with Director Elmendorf abstaining.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Cooper presented the bookkeeper's report and invoices for payment and responded to Board inquiries. A copy of the bookkeeper's report, including a list of checks presented for approval, is attached. The Board requested a correction on page 10 of the bookkeeper's report to identify the reserve for debt. The Board additionally reviewed an updated cash flow analysis developed during a meeting held on January 31, 2024, between Directors Baerenstecher and Elmendorf and representatives of MAC. Following additional 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

Director Elmendorf discussed topics presented during the AWBD winter conference. Director Baerenstecher discussed the impact of Harris-Galveston Subsidence District's regulations on water rates and LOP HOA's contract with the City of Houston for water supply. Following discussion, Director Elmendorf moved to approve reimbursement of eligible expenses and authorize Directors' attendance at the AWBD summer conference. Director Zackary seconded the motion, which passed unanimously.

ENGINEERING MATTERS (CONTINUED)

Mr. Mersmann reported on efforts to solicit proposals directly from manufacturers that have the technological expertise to perform the proposed construction of the Lakes of Parkway Irrigation Pump Station 200 Replacement Project.

He stated that Rain Bird Corporation declined to provide a proposal. He reviewed proposals from Pumps, Motors & Controls, Inc. ("PMC") and Gilleland Smith Construction, Inc. ("GSCI") in the amounts of \$196,250.00 and \$250,000.00, respectively. A copy of the engineer's report is attached. Mr. Mersmann stated that PMC is obtaining additional pricing for electrical work needed for the project and PMC's proposal includes replacing the motors. He stated that GSCI's proposal includes the cost for a subconsultant to perform the electrical work. Mr. Mersmann recommended that the Board award the contract to PMC. Following review and discussion, the Board concurred that, in its judgment, PMC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Discussion ensued regarding the proposals, including Mr. Albaugh's comments regarding PMC's quote for refurbishing the skid that may instead need to be replaced and ensuring change orders follow a rate sheet. Following discussion, Director Slagle moved to award a contract to PMC in an amount not to exceed \$230,000.00, to include additional pricing for electrical work and Mr. Albaugh's comments, based upon Mr. Mersmann's recommendation and review of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Elmendorf seconded the motion, which passed unanimously. Mr. Mersmann stated that Mr. Albaugh's additional comments regarding inspections and withholding final payment for the project pending receipt of a detailed Operations Manual and As-Built drawings for the project will be included.

2024 DIRECTORS ELECTION

Mr. Pagan explained that the Harris County Clerk notified the District that Harris County will not contract with political subdivisions, such as the District, to administer the District's May 2024 directors election. He stated that, as a result, the District will not contract with Harris County, as previously authorized, but instead the District will administer its own election.

Mr. Pagan discussed exemptions from using electronic voting systems during the 2024 Directors Election. He stated that the basis of the District's exemption is the most recent directors election was cancelled. Following discussion, Director Elmendorf moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Zackary seconded the motion, which was approved by unanimous vote.

The Board discussed pay for election officials during the 2024 Directors Election. Following discussion, Director Elmendorf moved to set the pay for election officials at \$20.00 per hour. Director Zackary seconded the motion, which was approved by unanimous vote.

ANNUAL DISCLOSURE STATEMENTS

The Board reviewed the annual disclosure statements of the bookkeeper and Investment Officer pursuant to the Public Funds Investment Act and the District’s Investment Policy. Following review and discussion, Director Elmendorf moved to accept the annual disclosure statements of the bookkeeper and Investment Officer, and direct that the disclosure statements be filed with the Texas Ethics Commission and retained in the District’s official records. Director Zackary seconded the motion, which passed unanimously.

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 LOP HOA’s plan for reestablishing grass growth to pre-construction conditions in Teal Cove Swale. Mr. Albaugh reported that LOP HOA’s project to replace the brick wall with a wood fence along the swale is not yet complete. He stated that the new LOP HOA Board has recently determined that the fence contractor has been paid in full for the project. Discussion ensued.

WATER CONSERVATION PROJECT, PHASE III

Discussion ensued regarding the proposed replacement of the controllers for the common area irrigation system to increase water conservation within the District.

CONTRACT MATTERS

The Board discussed the District’s outstanding Agreement to Fund Replacement of Irrigation Pump Station 200 Facility with LOP HOA currently under review by the attorneys for the District and LOP HOA.

MEETING SCHEDULE

The Board concurred to hold its next regular meeting on March 1, 2024.

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

(SEAL)




Secretary, Board of Directors

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