

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 361
Minutes of Meeting of Board of Directors
April 14, 2023

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 361 (the “District”) held its regular monthly meeting in accordance with the duly posted notice of the meeting and the Texas Open Meetings Act. The meeting was held at 2001 Timberloch Place, Suite 500, The Woodlands, Texas 77380, and the roll was called of the duly constituted officers and members of said Board, as follows:

J. Brian Harding	President
Todd Covart	Vice President
Jaelyn Hood	Secretary
Erica Dobbs	Assistant Vice President
Christopher D. Roundy	Assistant Secretary

All of the above were present, except Director Dobbs and Director Roundy, who entered later in the meeting, thus constituting a quorum.

Also present at the meeting were Jordan Weyand of Municipal Accounts & Consulting, L.P. (“MAC”); Josh Maas of M. Marlon Ivy & Associates, Inc. (“MMI”); Cindy Fields of BGE, Inc. (“BGE”); Stephanie Dorrough of Wheeler & Associates, Inc. (“Wheeler”); and Jonathan Roach, Ray Arce, and Jessica Gentry, of Roach & Associates, PLLC (“RAPLLC”). [*Remote Attendees]

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES FOR PRIOR BOARD MEETINGS

The Board considered for approval the regular meeting minutes of March 10, 2023. After no discussion, Director Hood motioned to approve the March 10, 2023, regular meeting minutes. Director Harding seconded the motion, which passed unanimously.

BOOKKEEPER’S REPORT

Mr. Weyand presented the monthly Bookkeeper's Report, including the investment report and invoices submitted for payment; a copy is attached hereto as “**Exhibit A.**”

Mr. Weyand then presented unclaimed property within the District totaling \$293.84 and advised he would file the unclaimed property with the State as required. Next, he noted that checks held for some of the Directors at last month’s meeting had been voided. He then advised that the first quarter payroll taxes for 2023 were paid to the US Treasury. Finally, Mr. Weyand confirmed that any mileage related to last month’s meeting in Galveston had been added to the Director’s checks.

Next, a lengthy discussion ensued regarding the use of bond funds to cover capital projects. Mr. Roach noted that the District could use bond funds left over from a previously approved project, noting the District would have to sign a resolution authorizing the use of surplus funds. Ms. Fields confirmed that currently, all District projects had been paid out of the District's Operating Budget. Then Director Harding requested that the District's Operating funds be reimbursed by the District's Capital Projects funds account.

After no further discussion, Director Harding motioned to approve the Bookkeeper's Report and authorize payment of invoices. Director Covart seconded the motion, which passed unanimously.

Mr. Weyand then updated the Board on the Homeowners Association ("HOA") security invoicing, confirming that the issue had been addressed and corrected. Director Covart inquired about the last payment before the new management company took over the HOA. Mr. Weyand confirmed that the District only paid through November of 2022 and now owes the HOA payments from December 2022 through May 2023.

Directors Roundy and Dobbs entered the meeting during the report.

DRAFT OPERATING BUDGET FOR FYE MAY 31, 2024

Mr. Weyand presented and reviewed the proposed operating budget for the fiscal year ending ("FYE") on May 31, 2024. He advised that the District's financial status is solid at this time. Mr. Roach advised the Board that they could approve the final budget at next month's meeting.

RESOLUTION AUTHORIZING PENALTY ON DELINQUENT REAL PROPERTY TAXES

Mr. Roach advised that, pursuant to the Texas Property Tax Code, the District could impose an additional penalty of up to 20% on delinquent real property taxes as of July 1st of each year and that the penalty is essential to cover the costs of collections pursuant to the delinquent tax collections contracts. After no discussion, Director Harding motioned to adopt a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. The motion was seconded by Director Hood and passed unanimously.

TAX ASSESSOR'S REPORT

Ms. Dorrough presented and reviewed the District's monthly tax report for March 2023; a copy is attached hereto as "**Exhibit B,**" including a list of invoices submitted for payment from the District's tax account. After no discussion, Director Hood motioned to approve the monthly tax reports and authorize payment of the invoices presented. Director Harding seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Ms. Fields reviewed the Engineer's Report, a copy of which is attached hereto as **Exhibit "C,"** and provided updates on the following: (1) WLHP Phase 2 Sidewalk, noting they have reviewed

the final cost breakdown from the County and have determined that the final cost is \$330,130.01 resulting in a share of \$54,106.67 for each district. She further noted that the County had submitted the invoice; however, she confirmed that BGE had informed the County that Harris County Municipal District No. 344 (“HC344”) would not proceed with the Army Corps of Engineering (“Corps”) permit transfer or payment of the invoice until documentation from the Corps approving the project is received; (2) HC344 WP Generator Replacement, noting the Contractor is currently addressing minor punch list items resulting from the final inspection that was held on March 1, 2023; (3) HC344 WP Recoating/Improvements, noting the exterior coatings of the two (2) remaining hydropneumatic tanks and the GST have been completed. She further stated that the Contractor is working on the remaining miscellaneous items within the contract, including replacing the compressor. Finally, she noted that they presented to HC344 Pay Estimate No. 3 for \$54,450.00 payable to CFG Industries, LLC, at their last meeting; (4) HC344 WWTP Rehabilitation, noting the punch list resulting from the final inspection held on March 23, 2023, has been completed and the final pay estimate would be presented to HC344 at their next meeting; (5) Emergency Preparedness Plan (“EPP”) Update, noting that the EPP would need to be updated due to the addition of the new natural gas generator at the HC344 water plant. She further stated that they had sent the EPP to the Operator for their review and would incorporate any changes they may have in addition to updating the Attorney’s information. Finally, she noted that she would need Board authorization to prepare and distribute the updated EPP once complete.

Ms. Fields confirmed they are updating the Capital Improvement Plan (“CIP”).

Ms. Dorrough exited the meeting during the report.

After no further discussion, Director Covart motioned to authorize Ms. Fields to prepare and distribute the updated EPP. Director Hood seconded the motion, which passed unanimously.

REVIEW ANNUAL SURVEY OF WAGE RATE SCALES

Mr. Roach stated that the Board is required to adopt wage rate scales annually but has not done so since 2001. He further noted that the District currently utilizes the same wage rate scales for construction projects as Harris County. Ms. Fields pointed out that HC342 and HC344 tend to adopt the same wage rate scales as Harris County. The Board deferred any action at this time.

OPERATOR’S REPORT

Mr. Maas presented and reviewed the monthly Operator’s Report; a copy is attached hereto as **“Exhibit D,”** noting the collections accounts. Mr. Maas then noted an issue at the District’s lift station, noting the large pump’s check valve broke, causing the control panel to lose power. He then explained that they had the pump placed back on the rails and confirmed everything was working as it should.

After no further discussion, Director Hood motioned to approve the Operator’s Report and action on the collection accounts. Director Covart seconded the motion, which passed unanimously.

Next, Mr. Maas noted that the Consumer Confidence Report (“CCR”) is due on July 1, 2023, and confirmed that he would provide a link to the District’s website on resident water bills for more information. Then, Mr. Maas explained the Critical Load Sheet reports, noting that CenterPoint will provide a backup if the facility experiences an outage. Finally, Mr. Maas explained that the Identity Theft Prevention Program Report is done annually and confirmed no changes from the previous year.

WATER CONSERVATION PLAN (“WCP”)

Mr. Maas noted there were no updates at this time.

SUMMERWOOD COMMUNITY ASSOCIATION MATTERS

Mr. Arce explained that he had followed up with the attorney for HC344 and Harris County Municipal District No. 342 (“HC342”) and concluded that if all Directors attended, they would be required to post an agenda. Mr. Arce then recommended that the Board create a committee with two (2) Directors so that each District can meet without having to post an agenda. A lengthy discussion ensued regarding the transition of responsibility over the security contract. The Board concurred for Director Harding and Director Covart to attend a meeting with HC342 and HC344 to discuss security matters further.

Director Dobbs noted that the HOA had inquired if the District would be interested in purchasing trash grabbers for their Earth Day event. A lengthy discussion ensued, whereby Director Dobbs motioned for the District to provide funds up to \$100.00 to the HOA for supplies to be used at the Earth Day event, subject to the HOA submitting their receipts back to the District’s Bookkeeper. Director Hood seconded the motion, which passed unanimously. Director Dobbs confirmed she would contact the HOA about the Board’s decision.

SECURITY MATTERS

This item was discussed above.

TECHNOLOGY AND WEBSITE UPDATES

The Board confirmed they had not experienced any issues with the website or their new devices.

ATTORNEY’S REPORT

Mr. Roach noted there was nothing new to report. Director Hood inquired about the park and recreation meetings, whereby Director Dobbs confirmed there was nothing new to report.

***EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.074, ET. SEQ.**

The Board did not enter into executive session.

PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

The Board concurred to reconvene for their regular meeting on May 12, 2023, at 12:00 p.m. at RAPLLC's Woodland's office. After no further discussion, Director Hood motioned to adjourn the meeting. Director Harding seconded the motion, which passed unanimously.

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Approved this 12th day of May 2023.

/s/ Jaclyn Hood
Secretary, Board of Directors

(SEAL)



LIST OF EXHIBITS

- Exhibit A - Bookkeeper's Report
- Exhibit B - Tax Assessor's Report
- Exhibit C - Engineer's Report
- Exhibit D - Operator's Report