

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 361**  
**Minutes of Meeting of Board of Directors**  
**June 9, 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, 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 and Ashley Whittimore of Wheeler & Associates, Inc. (“Wheeler”); and Jonathan Roach\*, Ray Arce, Jessica Gentry, and Jeffrey Blankenship of Roach & Associates, PLLC (“RAPLLC”). [\*Remote Attendees]

**COMMENTS FROM THE PUBLIC**

There were no comments from the public.

**MINUTES FOR PRIOR BOARD MEETINGS**

Director Hood inquired about the status of the Precinct One Engagement Survey. Mr. Roach confirmed that he had submitted the survey on behalf of the District and will have the QR code posted to the website.

Director Covart noted recent posts on a social media platform misrepresenting the functions of the District. He further explained a resident’s confusion over the increase in their water rates. Mr. Maas confirmed that the City of Houston (the “City”) had recently increased water rates.

The Board considered for approval the regular meeting minutes of May 12, 2023. After no discussion, Director Hood motioned to approve the May 12, 2023, regular meeting minutes. Director Covart 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 as **Exhibit “A.”** He further pointed out

Check No. 9700 for \$443.14, issued to the Texas State Comptroller for unclaimed property covering the period from March 1, 2021, to February 28, 2022.

Director Hood clarified the compensation for attendance to the Homeowners Association (“HOA”) meetings, noting a Director’s attendance for District or security matters would be compensated for but not for meetings regarding regular residential matters. After some discussion, the Board concurred to deny approval of Check No. 9681.

Director Hood then inquired if the Capital Projects Fund had been closed out. Mr. Weyand noted that he would continue to work on closing the Fund. Next, a discussion ensued regarding per diem advances for Directors attending the Association of Water Board Directors (“AWBD”). After some discussion, Mr. Weyand confirmed he would write the advance checks for Directors Covart, Harding, and Roundy and mail the remainder to Directors Hood and Dobbs.

Director Covart inquired about what to do with the Cash Flow Forecast on construction surplus funds. The Board concurred to defer this discussion.

After no further discussion, Director Covart motioned to approve the Bookkeeper’s Report and authorize payment of invoices, excluding Check No. 9681. Director Harding seconded the motion, which passed unanimously.

### **TAX ASSESSOR’S REPORT**

Ms. Whittemore presented and reviewed the District’s monthly tax report for May 2023; a copy is attached hereto as **Exhibit “B,”** including a list of invoices submitted for payment from the District’s tax account.

After some discussion, Director Harding motioned to approve the monthly tax reports and authorize payment of the invoices presented. Director Hood seconded the motion, which passed unanimously.

Mr. Arce inquired about the preliminary value for the 2023 tax rate. Ms. Dorrough confirmed the District’s preliminary value is \$401,542,166, noting an 11.6% increase over last year’s value.

### **ESTIMATE OF VALUE**

Mr. Roach noted that a request for an Estimate of Value (“EOV”) is not necessary at this time and that their Financial Advisor indicated they would investigate it further once the certified values are received in the Fall.

### **ENGINEER’S REPORT**

Ms. Fields reviewed the Engineer’s Report; a copy is attached hereto as **Exhibit “C,”** and provided updates on the following: (1) WLHP Phase 2 Sidewalk, noting BGE is still awaiting approval of the project; (2) Harris County Municipal Utility District No. 344 (“HC344”) Water

Plant (“WP”) Generator Replacement, noting the contractor is addressing minor electrical punch-list items resulting from the final inspection held on March 1, 2023; (3) HC344 WP Recoating/Improvements, noting the contractor is awaiting delivery of the new air compressor; and (4) Capital Improvement Plan (“CIP”), whereby Ms. Fields explained that the 2024 CIP contains mostly costs for annual inspections or age-related replacements. She then presented the Capital Expenditure Summary, noting additional budget items, updated WWTP permit, and possible galvanized corrugated metal pipe replacements. Director Hood inquired if anything needed to be purchased. Ms. Fields confirmed their joint Districts chose not to move forward with any upgrades at this time. Director Hood inquired about sidewalk repairs. Mr. Maas confirmed that they are not actively looking for sidewalks to fix but would respond and investigate further for anyone that submits a complaint.

### OPERATOR’S REPORT

Mr. Maas presented and reviewed the monthly Operator’s Report; a copy is attached hereto as “Exhibit D.” Mr. Maas then explained that the City raised water rates in May from \$1.17 to \$2.51. He further stated that the usage bill customers receive is the amount they pay and that the District collects no additional fees. Then Mr. Maas noted that residents can expect increased water bills since it is sprinkler season.

Director Hood noted that the District’s website should provide a write-up regarding the increased rates. Director Roundy suggested posting the District’s website link on the social media platform so that the residents can see updates on water rates. The Board ensued in a discussion regarding the water rate tiers.

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

### SUMMERWOOD COMMUNITY ASSOCIATION MATTERS

There was nothing new to report.

### SECURITY MATTERS

Mr. Arce noted that they have talked to Harris County Municipal Utility District No. 342 (“HC342”) and HC344’s attorney regarding the patrol contract and flock security cameras. Then a lengthy discussion ensued regarding installing security cameras within the District and where to place them. Mr. Roach noted that he had contacted Ms. Villanueva with Precinct One regarding issues the District is having with security cameras. Mr. Arce confirmed that the HOA has agreed to delay moving forward with their decision until the three (3) Municipal Utility Districts (“MUDs”) have made a decision.

Mr. Arce then discussed the fifth constable engaged by the HOA and the other MUD's perspectives on cost-sharing methods. He further explained that the District would be the tiebreaker on the vote to share this cost in four (4) ways. Mr. Roach indicated that the constable pricing has

increased by 5% since last year. The Board ensued in a lengthy discussion regarding constable pricing and various cost-sharing methods.

### TECHNOLOGY AND WEBSITE UPDATES

Mr. Roach confirmed he would have the QR code for the Precinct One Engagement Survey posted to the District's website.

### REVIEW CONSULTANT, VENDOR, AND DISTRICT MANAGEMENT CONTRACT OPTIONS

This item was deferred to executive session.

### ATTORNEY'S REPORT

Mr. Roach noted that the Board might be required to file a form with the Secretary of State ("SOS") regarding the voting system(s) the District may have used during the year and asked for authorization for RAPLLC to complete and file the form on behalf of the District, if necessary. After no discussion, Director Harding motioned to authorize RAPLLC to complete and file the form if necessary. Director Hood seconded the motion, which passed unanimously.

Mr. Roach asked the Board to consider approval of the destruction of old copies of prior Board meeting notes as allowed by applicable law. He reminded the Board that RAPLLC retains electronic copies of virtually all District records and that copies of all official meeting minutes are kept in perpetuity. After no discussion, Director Harding motioned to authorize the destruction of old copies of prior Board meeting notes. Director Hood seconded the motion, which passed unanimously.

Mr. Roach noted that his firm is working on summarizing the laws passed in the recent legislative session applicable to MUDs. Then Mr. Roach stated that effective September 1, 2023, Director's per diems will increase from \$150 to \$221 per day; however, he noted that the annual per diem cap remains at \$7,200. The Board then discussed what would happen if a Director were to reach their cap before the end of the year.

Director Hood noted that she attended the Northeast Water Purification Plant ("NWPP") meeting, noting the issue of installing the second pipeline under West Lake Houston in the Fall of 2023 has now been pushed to the Spring of 2024. She then suggested inviting the project manager to a District meeting sometime in the Fall to discuss traffic control on West Lake Houston once they shut it down for construction. Director Harding suggested the District work with MC342 on this issue, considering they will be experiencing the same inconvenience at that time. Director Hood then noted that the NWPP still plans on installing a fence but has not yet decided on the size of the fencing.

Mr. Weyand, Mr. Maas, Ms. Dorrough, Ms. Whittemore, and Ms. Fields exited the meeting.

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

The Board entered into executive session at 1:01 p.m.

**RECONVENE IN OPEN SESSION**

The Board reconvened in open session at 1:26 p.m.

After some discussion, Director Roundy motioned to approve a Surplus Declaration and Conveyance of Property for a Directors Lot for Director Harding. Director Covart seconded the motion, which passed three-to-zero (3-0), with Director Harding abstaining.

Next, Director Covart motioned to terminate Wheeler effective July 31, 2023, and engage Utility Tax Service, LLC, effective August 1, 2023. Director Hood seconded the motion, which passed unanimously.

Then Director Hood stated the rules of a Director receiving a per diem for attendance to an HOA residential meeting must provide either a written summary to the Bookkeeper via email or present a summary to the Board at their next meeting. Director Covart motioned to void Check No. 9681 payable to Director Dobbs because she had not provided a summary report after attending a residential HOA meeting. Director Harding seconded the motion, which passed unanimously.

**PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board concurred to reconvene for their regular meeting on July 14, 2023, at 12:00 p.m. at RAPLLC's Woodlands office. After no further discussion, Director Harding motioned to adjourn the meeting. Director Hood seconded the motion, which passed unanimously.

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Approved this 14<sup>th</sup> day of July 2023.

/s/ Jaclyn Hood  
Secretary, Board of Directors



**LIST OF EXHIBITS**

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