

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 361
Minutes of Meeting of Board of Directors
September 13, 2024

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 roll was called of the duly constituted officers and members of said Board, as follows:

Todd Covart	President
Jaclyn Hood	Vice President
Erica Dobbs	Assistant Vice President
Christopher D. Roundy	Secretary

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

Also present at the meeting were Charlie LaConti of Municipal Accounts & Consulting, L.P. (the “District’s Bookkeeper”); Josh Maas of M. Marlon Ivy & Associates, Inc. (the “District’s Operator”); Cindy Fields of BGE, Inc. (the “District’s Engineer”); Monica Pena of Utility Tax Service, LLC (the “District’s Tax Assessor”); Jonathan Roach, Ray Arce, and Jessica Gentry of Roach & Associates, PLLC (the “District’s Attorney”); David Smalling of Robert W. Baird & Co. (the “District’s Financial Advisor”); and Wendy Ramirez of FORVIS, LLP (the “District’s Auditor”).

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES FOR PRIOR BOARD MEETINGS

The Board considered the approval of the regular meeting minutes of August 9, 2024. After no discussion, Director Hood motioned to approve the regular meeting minutes from August 9, 2024. Director Covart seconded the motion, which passed unanimously.

ANNUAL AUDIT REPORT FOR FISCAL YEAR END (“FYE”) MAY 31, 2024

Ms. Ramirez presented and reviewed the May 31, 2024, FYE Annual Audit Report (“2024 FYE Annual Audit”). After review and discussion, Director Covart motioned to approve the 2024 FYE Annual Audit, subject to final review and incorporation of comments by the District’s consultants. Director Hood seconded the motion, which passed unanimously.

Director Dobbs entered the meeting during the report.

BOOKKEEPER’S REPORT

Mr. LaConti presented the Bookkeeper's Report, including the investment report and invoices submitted for payment; a copy is attached as Exhibit "A". He also presented checks #10178 and #10179 for approval. After some discussion, Director Covart motioned to approve the Bookkeeper's Report and authorize payment of invoices. Director Roundy seconded the motion, which passed unanimously.

TAX ASSESSOR'S REPORT

Ms. Pena presented the Tax Assessor's Report; a copy is attached as Exhibit "B". After some discussion, Director Covart motioned to approve the Tax Assessor's Report and authorize payment of invoices. Director Hood seconded the motion, which passed unanimously.

Mr. Roach exited the meeting temporarily.

DELINQUENT TAX REPORT

Mr. Arce presented the Delinquent Tax Report, noting there was no action.

Mr. Roach re-entered the meeting.

FINANCIAL ADVISOR'S TAX RATE RECOMMENDATION FOR 2024

Mr. Smalling presented and reviewed the 2024 Tax Rate Recommendation to the Board. He noted that the District's Financial Advisor recommends a \$0.26 tax rate for debt service ("DS") and a \$0.40 tax rate for maintenance and operations ("M&O") for a total tax rate of \$0.66, a \$0.02 rate lower than the previous year. After a lengthy discussion, Director Hood motioned to authorize the publication of the intent to levy a tax rate of \$0.68 per \$100 of assessed valuation, with \$0.40 allocated for M&O and \$0.28 levied for DS. Director Covart seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Ms. Fields reviewed the Engineer's Report; a copy is attached as Exhibit "C", and provided updates on the following:

(1) Emergency Preparedness Plan ("EPP"), noting the District's Engineer is continuing to coordinate with the Texas Commission on Environmental Quality regarding the revisions to the EPP submitted in June 2023.

(2) Wastewater Treatment Plant Generator Replacement, noting the District's Engineer received four (4) bids on September 5, 2024, and will recommend that Harris County Municipal Utility District No. 344 ("HC344") award the contract to the lowest bidder, McDonald Municipal and Industrial, in the amount of \$868,469.00. She further noted that should HC344 approve the bid, the District's 31% share of the cost will be \$269,225.39.

(3) Water Plant Motor Control Center (“MCC”) Replacement, noting that design is underway for the MCC replacement project.

(4) Water Well No. 2 Emergency Rehabilitation, noting the submersible unit and portions of the column pipe have been replaced, and the well is back in service. She further stated that the well was televised, confirming no structural deficiencies. Finally, Ms. Fields noted that the District’s Engineer would be presenting the final invoice from C&C Water Services in the amount of \$123,465 to HC344 at their next meeting, indicating that the District’s cost-share amount would be \$38,274.15.

OPERATOR’S REPORT

Mr. Maas presented the Operator’s Report; a copy is attached as Exhibit “D”. Next, he presented a 10% operating rate increase. After some discussion, Director Covart motioned to approve: (1) the 10% increase for operating services; and (2) the Operator’s Report. Director Hood seconded the motion, which passed unanimously.

LAKEVIEW PARK MATTERS

The Board discussed awaiting Lakeview Park Phase 2 designs from the Summerwood Homeowners Association.

SUMMERWOOD MATTERS

The Board discussed National Night Out, during which Director Dobbs confirmed that the District’s Operator had provided coloring books. Director Dobbs also stated that the District should start hosting more events at Lakeview Park. The Board concurred to discuss future events at their November meeting.

SECURITY MATTERS

Mr. Arce presented the Security Report. Mr. Roach stated that the patrol agreement is awaiting execution from the City of Houston.

COMMUNICATIONS REPORT

Ms. Gentry presented the Communications Report; a copy is attached as Exhibit “E”. Mr. Arce suggested presenting Officer Robinson with an award for protecting the District in January 2024. After some discussion, the Board concurred to hand deliver an award to Officer Robinson.

ATTORNEY’S REPORT

Mr. Roach explained that public facilities corporations (“PFC”) are nonprofit corporations created by developers who own and build multifamily residential developments utilized for the purpose of affordable housing, which allows exemption from all ad valorem taxes. He further explained that the new law passed under House Bill 2071 does not allow PFC property located in a

Municipal Utility District to be exempt from ad valorem tax. Next, Mr. Roach noted that the U.S. House of Representatives passed the Special District Grant Accessibility Act (H.R. 7525) that would define “special districts” in federal law and ensure districts are eligible for all appropriate forms of federal financial assistance.

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

The Board did not enter into executive session.

PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS

Director Hood inquired about the CenterPoint microgrids pilot program. Ms. Fields explained that the microgrids are used to power the District’s facility and energize the surrounding grid in the event of an emergency. She stated that she would get the contact information for Acclaim Energy.

Next, the Board concurred to reconvene for their next regular meeting on October 18, 2024, at 12:00 p.m. at the District Attorney’s office. After no further discussion, Director Roundy motioned to adjourn the meeting. Director Covart seconded the motion, which passed unanimously.

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Approved this 18th day of October 2024.

/s/ Christopher D. Roundy
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
- Exhibit E - Communications Report