

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 361**  
**Minutes of Meeting of Board of Directors**  
**May 12, 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
Jaclyn Hood	Secretary
Erica Dobbs	Assistant Vice President
Christopher D. Roundy	Assistant Secretary

All of the above were present, thus constituting a quorum.

Also present at the meeting were Garrett Tabor 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”); Stephanie Villanueva, representative of Harris County Precinct One Commissioner Rodney Ellis (“HCP1”); Wendy Ramirez of FORVIS, LLP (“FORVIS”); Christine Rife, Jeffrey Crump, and Jackie Chance of Montgomery County Water Control and Improvement District No. 1 (“MCWCID1”); 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.

**DISCUSSION WITH REPRESENTATIVE OF HARRIS COUNTY PRECINCT ONE COMMISSIONER RODNEY ELLIS**

Ms. Villanueva introduced herself and provided an overview of HCP1, noting that their precinct represents Summerwood Homeowners Association (“HOA”). She then explained that they are sending out surveys to different Districts for feedback on what they like about their neighborhoods and what improvements they would like to see. Director Covart suggested the survey be added to the District’s website to make it more available for residents wanting to fill it out. Director Hood inquired if HCP1 helps with stoplight issues, noting that several accidents occur while entering the neighborhood. Director Roundy suggested a double-turn lane for traffic leaving the community to avoid these incidents. Ms. Villanueva stated that the HCP1 did help with roads and advised the Board to go to their website for more information about roadways, stoplights, parkways, etc. Director Covart expressed his thanks to HCP1 for representing the District.

Director Dobbs inquired about the programs and events put on by HCP1. Ms. Villanueva noted that the limited programs available are currently for seniors but will investigate more programs

to be implemented for all ages. After some discussion, Mr. Roach advised the Board that RAPLLC could submit a survey on behalf of the District.

### **MINUTES FOR PRIOR BOARD MEETINGS**

The Board considered for approval the regular meeting minutes of April 14, 2023. After no discussion, Director Harding motioned to approve the April 14, 2023, regular meeting minutes. Director Hood seconded the motion, which passed unanimously.

### **BOOKKEEPER'S REPORT**

Mr. Tabor presented the monthly Bookkeeper's Report, including the investment report and invoices submitted for payment; a copy is attached as "**Exhibit A,**" noting that their operating fund is very healthy. Director Harding inquired about the status of closing out their Capital Projects fund. Mr. Tabor stated that he would confirm with Mr. Weyand regarding this matter. Then, Director Harding noted that he had just signed up for the Association of Water Board of Directors ("AWBD") summer conference. Mr. Tabor confirmed he would update that information in their system.

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.

### **ADOPT OPERATING BUDGET FOR FYE MAY 31, 2024**

Mr. Roach noted that the Operating Budget was presented at the Board's last meeting and reiterated that the District's financial status is very strong. After some discussion, Director Harding motioned to approve the Operating Budget for the fiscal year ending ("FYE") on May 31, 2024. Director Covart seconded the motion, which passed unanimously.

### **ENGAGE AUDITOR TO CONDUCT AUDIT FOR FYE MAY 31, 2023**

Ms. Ramirez noted that BKD, LLC was recently bought out by FORVIS, citing their impressive resume. Mr. Roach noted a \$1,000 cost increase to the audit engagement letter, whereby, after some discussion, Director Harding motioned to engage FORVIS to prepare the May 31, 2023 audit. Director Roundy seconded the motion, which passed unanimously.

### **TAX ASSESSOR'S REPORT**

Ms. Dorrrough presented and reviewed the District's monthly tax report for April 2023; a copy is attached hereto as "**Exhibit B,**" including a list of invoices submitted for payment from the District's tax account. Ms. Dorrrough then noted an amount of \$80,000 toward their debt service account and \$24,065.83 to their maintenance and operating account.

Director Covart inquired about check #1103, payable to Wheeler, in addition to check #1102 for their regular monthly billing. Ms. Dorrrough explained that they usually split these payments in two (2), noting check #1103 represents monthly expenses and check #1102 represents

their monthly billing fees. Then, Director Covart inquired why Wheeler switched from Allegiance Bank to Frost Bank. Ms. Dorrough explained that Stellar Bank recently bought out Allegiance Bank and their fees increased significantly, so switching to Frost Bank made more financial sense.

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

### **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 they received an invoice from Harris County, but stated they had not received any documentation from the COE regarding approval of the project, so Harris County Municipal Utility District No. 344 ("HC344") has not paid the invoice; (2) HC344 Water Plant ("WP") Generator Replacement, noting that 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 working on the remaining miscellaneous items within the contract including the replacement of the compressor. She then noted that they presented to HC344 Pay Estimate No. 4 in the amount of \$58,950, payable to CFG Industries, LLC; (4) HC344 Rehabilitation, noting the tenth and final pay estimate in the amount of \$250,157.80, payable to JTR Constructors was presented to HC344 at their last meeting. She further noted that this project was complete; and (5) Capital Improvement Plan ("CIP"), noting they are currently updating the CIP and will present it to the Board at their June 9, 2023, meeting. Ms. Fields further noted that she sent a draft CIP to the Bookkeeper so they could incorporate the numbers in the new budget.

Next was a brief discussion between Director Covart and Ms. Villanueva regarding the WLHP Phase 2 Sidewalk.

### **REVIEW ANNUAL SURVEY OF WAGE RATE SCALES**

Ms. Fields explained that Harris County Municipal Utility District Nos. 342 ("HC342") and HC344 currently utilize the same wage rate scales for construction projects in accordance with the Department of Labor Standard. She further noted that HC342 and HC344 had formerly coincided with Harris County (the "County") but explained that the County decided their scales would not cover drainage projects this year.

After some discussion, Director Hood motioned to adopt the wage rate scales per the Department of Labor Standard. Director Harding seconded the motion, which passed unanimously.

### **RESOLUTION AUTHORIZING THE USE OF SURPLUS CONSTRUCTION FUNDS**

Mr. Roach explained that the Resolution Authorizing the Use of Surplus Construction Funds would reimburse the District's operating account. After some discussion, Director Harding motioned to approve the Resolution Authorizing the Use of Surplus Construction Funds. Director Hood seconded the motion, which passed unanimously.

## 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 there had been some issues relating to the sidewalks within the District. He noted that if a District manhole caused the failure of a sidewalk, it would be the District's responsibility to fix it. He then explained that if the manhole belongs to the County, it would be the County's responsibility to fix it. Mr. Maas further stated that if there is an issue with a sidewalk not located near a manhole, it is the resident's responsibility to fix it. A lengthy discussion ensued regarding the various procedures in the event of a sidewalk failure.

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

## SUMMERWOOD COMMUNITY ASSOCIATION MATTERS

Director Dobbs confirmed that the HOA utilized the \$100 offered to them by the District to buy grabbers for their Earth Day event. Director Dobbs further noted that she provided the receipts for said grabbers to Mr. Weyand.

## SECURITY MATTERS

Mr. Arce gave an overview of their unofficial security meeting with HC342 and HC344 on May 4, 2023. He stated that Flock Security gave a presentation that explained how their services would apply to the Districts. Mr. Arce then confirmed that they negotiated with the other Boards to remove the administrative responsibilities from the HOA. A lengthy discussion ensued regarding the additional security procedures within the Districts.

Director Hood inquired if they could receive advance checks in the amount of \$1,000 for the upcoming AWBD Conference. Mr. Tabor confirmed that he would have these checks ready by the next Board meeting.

Ms. Villanueva, Ms. Fields, Ms. Dorrough, and Mr. Maas exited the meeting during the discussion.

## TECHNOLOGY AND WEBSITE UPDATES

There was nothing new to report.

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

This item was deferred to executive session.

## ATTORNEY'S REPORT

Mr. Roach noted the correspondence received from AWBD regarding the Public Facilities Corporation (“PFC”), explaining that an apartment developer can have a PFC created over the top of their complex, which would exempt them from their taxes if they put in a certain number of subsidized units.

Messrs. Tabor, Crump, Chance, and Ms. Rife exited the meeting during the discussion.

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

The Board entered into executive session at 1:32 p.m.

Director Hood exited the meeting during executive session.

**RECONVENE IN OPEN SESSION**

The Board reconvened in open session at 1:56 p.m.

Director Dobbs inquired about the Board’s policy regarding the hotel rates for the AWBD Conference. After some discussion, Director Harding motioned to approve a one-time exception to increase the Director’s nightly hotel rates by \$100, allowing a total of \$400 per night. Director Roundy seconded the motion, which passed four-to-zero (4-0) with Director Hood absent from the vote.

**PENDING BUSINESS AND MATTERS FOR FUTURE AGENDAS**

The Board concurred to reconvene for their regular meeting on June 9, 2023, at 12:00 p.m. at RAPLLC’s Woodlands office. After no further discussion, Director Covart motioned to adjourn the meeting. Director Harding seconded the motion, which passed four-to-zero (4-0) with Director Hood absent from the vote.

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Approved this 9<sup>th</sup> day of June 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