

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 23, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 365 (the "District") met in regular session, open to the public, on the 23rd day of February, 2023, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Joe Myers	President
Greg Coleman	Vice President
Cathy Cropper	Secretary
Ann Nguyen Moore	Assistant Secretary
Angela Small	Assistant Vice President

and all of the above were present, with Director Small participating via videoconference, thus constituting a quorum.

Also present at the meeting were Rose Herbst of Infrastructure Construction Services ("ICS"), a member of the public; Nathan White of Si Environmental LLC ("Si"); Odett Newman of Bob Leared Interests, Inc. ("Leared"); Chris Burke of Burke Engineering, LLC ("Burke"); Michael Murr of Murr Incorporated ("Murr, Inc."); and Katie Carner and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via videoconference was Mary Jarmon of Myrtle Cruz, Inc.

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Director Coleman then moved to approve all items on the consent agenda. Director Moore seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached, excluding the minutes from the previous meeting.

PUBLIC COMMENT

Director Myers offered any members of the public attending the meeting the opportunity to make public comment.

Ms. Herbst introduced herself and addressed the Board regarding services provided by ICS.

There being no public further comments, Director Myers moved to the next agenda item.

ENERGY PRICING REPORT

There was no discussion on this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon presented check no. 1414 payable to Director Small, in the amount of \$903.49, for Director expenses (the "Additional Check"). Following review and discussion, Director Cropper moved to approve the Additional Check. Director Moore seconded the motion, which passed by unanimous vote.

The Board discussed submission of Director expenses to the District's bookkeeper. The Board concurred to submit executed Director expense reports to the District bookkeeper.

Ms. Jarmon reported that MCI is holding check no. 1403 payable to Silversand Services in the amount of \$3,300.00 for trail preparation. The Board concurred to consult with Murr, Inc. regarding invoicing for trail preparation.

The Board discussed the Association of Water Board Directors winter conference. The Board then considered authorizing attendance at the summer conference. Following discussion, Director Coleman moved to approve reimbursement of all eligible expenses for Directors who attended the winter conference, which the bookkeeper confirmed were submitted in accordance with the District's Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the summer conference. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. White presented and reviewed the monthly operator's report.

Mr. White reported that the Water Well No. 1 motor is experiencing a mechanical failure and a rental motor is in place. He noted that Si will present an assessment report regarding the mechanical failure of the motor at the next meeting.

Mr. White updated the Board regarding Lift Pump No. 3 at Lift Station No. 1. He added that Si is coordinating with Burke regarding replacement of the pump.

Mr. White reviewed a manhole survey of approximately 374 manholes and discussed maintenance and repair items performed by Si in the total amount of \$7,900.00, excluding time and materials.

HEARING ON TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

The Board then conducted a hearing on the termination of utility service to delinquent accounts. Mr. White reported that the persons on the termination list provided to the Board were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. Following review and discussion, Director Cropper moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Coleman seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman reported on uncollectible tax accounts from prior tax years, as shown in the tax assessor collector's report. She then presented and reviewed the District Delinquent Roll and requested authorization to send sixteen delinquent accounts totaling \$5,801.25 to a collection agency. Following review and discussion, Director Moore moved to write off the accounts and sent them to collections. Director Coleman seconded the motion, which passed by unanimous vote.

Ms. Newman reported to the Board that, as of now, Leared cannot receive tax payments through PayPal.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemption from Taxation ("Resolution"). Ms. Carner stated the District currently offers a \$20,000 exemption for individuals who are disabled or 65 years of age or older but rejects a general homestead exemption. She added that the District's financial advisor recommended the District approve the current exemption. Following review and discussion, Director Cropper moved to adopt the Resolution exempting from ad valorem taxation by the District \$20,000 of the appraised value of residence homesteads of individuals who are disabled or 65 years of age or older and rejecting the general homestead exemption. Director Moore seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Mr. Burke presented and reviewed the engineer's report, a copy of which is attached.

Mr. Burke updated the Board regarding the Texas Pollutant Discharge Elimination System permit renewal.

Mr. Burke updated the Board regarding the Water Well No. 2 rehabilitation project, including inspection and maintenance of the cathodic protection system. He reviewed and recommended approval of Change Order No. 1 to the contract with C&C Water Services, Inc. ("C&C") for the Water Well No. 2 rehabilitation project to increase the contract in the amount of \$3,500.00. The Board determined that Change Order No. 1 is beneficial to the District. Following review and discussion, Director Cropper moved to approve Change Order No. 1 in the amount of \$3,500.00 as an increase to the contract with C&C based upon the Board's findings that the Change Order is beneficial to the district and the engineer's recommendation. Director Moore seconded the motion, which passed by unanimous vote.

Mr. Burke updated the Board regarding the water well production tests.

Mr. Burke updated the Board regarding a violation notice from the Texas Commission on Environmental Quality (the "TCEQ") in October 2021. He reported that the District received a Notice of Compliance from the TCEQ and the issue has been resolved. Director Myers inquired about District procedures for handling future violations. Discussion ensued. Following discussion, the Board requested that Si prepare an action plan for future violations received by the TCEQ.

Mr. Burke then updated the Board regarding the proposed reclaimed water system.

Mr. Burke updated the Board regarding the unauthorized outfall.

Mr. Burke updated the Board regarding the rehabilitation of the joint channel and drainage repairs. He reported that Burke received an inquiry from a District resident regarding drainage matters in the area. The Board requested that Burke respond to the resident inquiry.

Mr. Burke presented and reviewed a proposal from Storm Water Solutions, LLC ("SWS"), in the amount of \$24,987.00, for the emergency outfall erosion repair near the Coles Crossing Clubhouse ("Emergency Outfall Repair"). A copy of the proposal is attached to the engineer's report. Discussion ensued. Following review and discussion, Director Coleman moved to approve the proposal from SWS, in the amount of \$24,987.00 for the Emergency Outfall Repair.

Mr. Burke reported that Burke received a request for tree and bush trimming near powerlines from the property owner at 15806 Jarvis Road. He added that the property owner may be interested in selling a northern portion of the property to the District for construction of a park. Discussion ensued.

Mr. Burke updated the Board regarding preparation of Bond Application No. 5.

Mr. Murr reviewed the landscape architect's report, a copy of which is attached.

Mr. Murr updated the Board regarding the replacement of the benches and trash receptacles for the trails. He reported that the installation of the benches and trash receptables is complete.

Mr. Murr updated the Board regarding the Coles Crossing Tennis Court fencing project.

Mr. Murr updated the Board regarding construction of the asphalt overlay project and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$37,303.66, payable to Hayden Paving, Inc. Following discussion, the Board deferred action on Pay Estimate No. 1. Discussion ensued regarding four options for asphalt repair of the southern portion of the trail. Following discussion, the Board concurred to schedule a follow-up field meeting and further consider the four options.

Director Myers discussed with the Board the Coles Crossing Stormwater Detention and Water Quality Improvement project.

NON-POTABLE WATER SYSTEM MATTERS

The Board considered approval of the Third Amendment to Coles Crossing Joint Facilities Agreement between the District and Harris County Municipal Utility District No. 364 (the "Amendment"). Discussion ensued. Following discussion, Director Cropper moved to authorize execution of the Amendment, subject to final review and finalization. Director Moore seconded the motion, which passed by unanimous vote.

Ms. Carner presented and reviewed the Resolution Adopting Policy Regarding Non-Potable Water Use (the "Resolution"). Discussion ensued and the Board concurred to defer action.

Ms. Carner then presented and reviewed the Non-Potable Water Agreement between the District and Coles Crossing Community Association, Inc. (the "Agreement"). Discussion ensued. Following discussion, the Board concurred to defer action.

PUBLIC COMMUNICATIONS AND COMMUNITY OUTREACH EVENTS

Director Coleman updated the Board regarding public communications.

The Board then discussed the issuance of Director e-mail addresses. Following discussion, Director Cropper moved to authorize Off Cinco to issue Director e-mail addresses using the first initial and last name of each Director. Director Moore seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on March 20, 2023, and the next regular meeting on March 23, 2023.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR SETTLEMENT OFF; AND CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board convened in executive session at 1:39 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation, or settlement offer; and pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Ms. Carner stated that Mr. Burke was needed in the Executive Session in order to render legal advice and the Board concurred for him to be present. Ms. Carner, Ms. Rossi, and Mr. Burke were also present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in open session at 1:48 p.m. No Board action was taken.

There being no further business brought before the Board, Director Moore moved to adjourn the meeting. Director Cropper seconded the motion, which passed by unanimous vote.




Secretary, Board of Directors

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