

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

March 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 March, 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, thus constituting a quorum.

Also present at the meeting were Nathan White of Si Environmental LLC ("Si"); 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 teleconference was Odett Newman of Bob Leared Interests, Inc. ("Leared").

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Cropper moved to remove item (4) from the consent agenda and to approve the following agenda items: (1) the minutes from the February 6, 2023, special meeting, and the minutes from the February 23, 2023, regular meeting, as presented; (2) financial and bookkeeping matters; and (3) tax assessment and collection matters. 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.

Director Myers addressed the Board regarding District meeting decorum. Discussion ensued.

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

ITEM REMOVED FROM CONSENT AGENDA

The Board reviewed the operator's report, a copy of which is attached. The Board then discussed the District's water accountability during freeze events. Following discussion, the Board requested Si to address excess water loss accountability in the operator's report and provide additional communication, following freeze events and other unusual circumstances that may affect water accountability.

Following review and discussion, Director Coleman moved to approve the operator's report. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL BOOKKEEPING MATTERS

Director Myers addressed the Board regarding the submission of an invoice from Silversand Services for trimming along the trail by Murr, Inc. He reported that he has discussed the invoice with Coles Crossing Community Association (the "HOA") and will continue correspondence with Murr, Inc. and the HOA regarding payment of the invoice.

The Board considered approval of expenditures for the World Water Day event, in an amount not to exceed \$1,000. Following discussion, Director Coleman moved to approve expenditures for the Water World Day event, in an amount not to exceed \$1,000. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. White updated the Board regarding the mechanical failure of the Water Well No. 1 motor and reviewed an assessment report. He noted that Si will replace the motor and file an insurance claim.

The Board reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. A copy of the critical load spreadsheet is attached. Ms. Carner noted that the critical load information on the District's facilities is required to be reviewed at least annually and provided to certain entities, including the District's electricity provider, the Public Utility Commission, and other governmental entities. Following review and discussion, Director Small moved to approve the critical load spreadsheet, authorize providing it to

the appropriate entities, and direct that a copy be retained in the District's official records. Director Moore seconded the motion, which passed by unanimous vote.

The Board discussed the District's Emergency Preparedness Plan (the "EPP") and requirements to file any updates with the Texas Commission on Environmental Quality ("TCEQ"). Ms. Carner stated the District is required to update the personnel and contact information listed in the EPP and submit the updated pages to the TCEQ and other required entities. Following discussion, Director Small moved to authorize the District's engineer to update the necessary personnel and contact information in the District's EPP and submit the updated pages to all required entities. Director Moore seconded the motion, which passed by unanimous vote.

The Board discussed the District's Drought Contingency Plan (the "DCP"). Following discussion, the Board requested that ABHR coordinate with Harris County Municipal Utility District No. 364 ("MUD No. 364") to prepare updates to the DCP and present a revised DCP at the next joint facilities meeting. The Board concurred to consider amending the District's Rate Order at the next regular meeting.

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 Small 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 Cropper seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman reported that 99.3% of the 2022 taxes have been collected as of February 28, 2023.

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.

Mr. Burke updated the Board regarding the water plant coating project. He stated that work will begin on ground storage tank no. 2 at Water Plant No. 2 in April.

Mr. Burke then updated the Board regarding the proposed reclaimed water system. He presented and reviewed a proposal for engineering services for Phase One of the Reclaimed Water Distribution System ("Phase I"), in the amount of \$341,550.00. Mr. Burke requested Board authorization to begin design of Phase I. Discussion ensued. Following review and discussion, Director Moore moved to (1) approve the proposal in the amount of \$341,550.00 for engineering services for Phase I, as presented; and (2) authorize the engineer to begin design of Phase I. Director Cropper seconded the motion, which passed by unanimous vote.

Mr. Burke updated the Board regarding the unauthorized outfall.

Mr. Burke updated the Board regarding the rehabilitation of the joint channel and drainage repairs.

Mr. Burke updated the Board regarding the emergency outfall erosion repair near the Coles Crossing Clubhouse.

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

Mr. Burke reviewed a proposed amendment to the District's Professional Services Agreement for Engineering Services with Burke reflecting updated hourly rates (the "Amendment"). Following review and discussion, Director Moore moved to approve the Amendment, as presented. Director Cropper seconded the motion, which passed by unanimous vote.

RECREATIONAL AND LANDSCAPE MATTERS

Mr. Murr discussed with the Board Phase II of the Jarvis Road Addition fencing project ("Phase II"). Discussion ensued regarding proposed easements required for Phase II. Following discussion, the Board requested Burke prepare metes and bounds for easements for Phase II.

Mr. Murr updated the Board regarding the asphalt overlay project. He reviewed and recommended approval of Change Order No. 2 to the contract with Hayden

Paving, Inc. ("Hayden") for the asphalt overlay project to decrease the contract in the amount of \$38,041.57. Discussion ensued. The Board determined that Change Order No. 2 is beneficial to the District. Following review and discussion, Director Small moved to approve Change Order No. 2 in the amount of \$38,041.57 as a decrease to the contract with Hayden, based upon the Board's finding that the Change Order is beneficial to the District and the landscape architect's recommendation. Director Cropper seconded the motion, which passed by unanimous vote.

Mr. Murr then updated the Board regarding the installation of no-trespassing signs at the location of the asphalt overlay project. The Board considered approval of twenty no-trespassing signs at an estimated cost of \$50.00 to \$75.00 per sign. Discussion ensued. Following discussion, Director Cropper moved to approve twenty no-trespassing signs for installation at the location of asphalt overlay project, at an estimated cost of \$50.00 to \$75.00 per sign. Director Small seconded the motion, which passed by unanimous vote.

NON-POTABLE WATER SYSTEM MATTERS

Ms. Carner presented and reviewed a Resolution Adopting Policy Regarding Non-Potable Water Use (the "Resolution"). Discussion ensued regarding incentives for commercial users for non-potable water use. Following discussion, the Board concurred to defer action pending further review and to consider approving the Resolution at a future meeting.

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

PUBLIC COMMUNICATIONS AND COMMUNITY OUTREACH EVENTS

The Board discussed community outreach events and public communications regarding the expansion of improvements to the District's detention pond.

AUTHORIZE SUBMITTAL OF REQUEST TO THE REGION 6 SAN JACINTO REGIONAL FLOOD PLANNING GROUP TO INCLUDE PROPOSED DISTRICT DRAINAGE PROJECT IN AMENDED REGIONAL FLOOD PLAN

The Board discussed the expansion of improvements to the District's detention pond. Discussion ensued. The Board then considered approval of the Resolution in Support of Expanding Harris County Municipal Utility District No. 365 Detention Basin for Flood Mitigation and Water Quality Purposes (the "Detention Basin Resolution"). Following discussion, Director Moore moved to approve the Detention Basin Resolution. Director Cropper seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on April 10, 2023, and the next regular meeting on April 20, 2023.

It was noted that the next quarterly joint special meeting with MUD No. 364 is scheduled for April 26, 2023.

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


Secretary Board of Directors



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