

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 15, 2024

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 15<sup>th</sup> day of February, 2024, 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:

Vacant	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, except Director Cropper, thus constituting a quorum.

Also present at the meeting were Nathan White and Jarryd Mayfield of Si Environmental LLC ("Si"); Chris Burke of Burke Engineering, LLC ("Burke"); Odett Newman of Bob Leared Interests, Inc. ("Leared"); Chase Eastland of Masterson Advisors, LLC; Michael Murr of Murr, Inc.; and Alia Vinson and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

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

CONSENT AGENDA

Director Coleman offered Board members the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Small 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 Coleman offered any members of the public attending the meeting the opportunity to make public comment.

Director Small addressed the Board regarding a proposed sidewalk landing to tie into the existing sidewalk on south Coles Crossing Drive at the lap pool.

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

REORGANIZE THE BOARD AND AUTHORIZE EXECUTION OF DISTRICT REGISTRATION FORM

The Board concurred to defer action on this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

There were no additional per diem requests.

Ms. Jarmon presented check nos. 1717, 1718, and 1720, payable to Directors Small, Moore, and Coleman for reimbursement of Association of Water Board Directors ("AWBD") expenses, in the respective amounts of \$2,679.41, \$2,324.59, and \$645.79, and check no. 1719, payable to Murr, Inc. for landscape management fees, in the amount of \$8,879.79 (the "Additional Checks"). Following review and discussion, Director Small moved to approve the Additional Checks. Director Moore seconded the motion, which passed by unanimous vote.

The Board discussed the AWBD winter conference. The Board then considered authorizing attendance at the summer conference.

Following discussion, Director Small 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.

The Board discussed the budget for the upcoming 2024 Directors Election.

ADDITIONAL OPERATING MATTERS

Director Coleman discussed Si's responses to District operating matters and posting of required documents.

Mr. White reported on routine District repairs and maintenance matters.

Mr. White reviewed customer billing related to regional water authority fees and credits to customers totaling \$36,153.52. He recommended that the Board authorize Si to issue credits to affected customers in the total cumulative amount of \$36,153.52, noting the credit adjustments will be applied immediately to customer water bills. Mr. White then answered questions regarding the implementation of the customer credits. Following discussion, Director Moore moved to authorize Si to issue credits to affected customers in the total cumulative amount of \$36,153.52. Director Small seconded the motion, which passed by unanimous vote.

Directors Small stated the District's water usage rates are not listed on customer water bills. Discussion ensued. Following discussion, the Board requested Si to include the District's water usage rates on customer water bills.

Mr. White reviewed flushing accountability reports, copies of which are attached to the operator's report. Discussion ensued regarding certain reports of water leaks from residents in the District. Following discussion, the Board requested Si to (1) communicate with the Board regarding operational responses to customer reports of water leaks; and (2) prepare an operations customer contact/response report, for Board review at future meetings.

The Board considered adopting an Amended Drought Contingency Plan ("DCP"). Discussion ensued. Following discussion, the Board requested that ABHR coordinate with Directors Coleman and Small regarding proposed updates to the DCP and present an updated DCP at the next regular meeting for Board consideration.

#### 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 Coleman seconded the motion, which passed by unanimous vote.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman updated the Board on 2023 tax collections.

The Board then reviewed the delinquent tax report prepared by Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached.

#### ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemption from Taxation. Ms. Eastland presented and reviewed an analysis of exemption options, including a general residential homestead exemption and a homestead exemption for persons who are over 65 years of age and/or disabled. Ms. Vinson noted the District

currently offers a \$20,000 exemption for individuals who are over the age of 65 and/or disabled.

Following review and discussion, Director Small moved to adopt a Resolution Concerning Exemption from Taxation reflecting that the Board grants a 5% general homestead exemption and a \$20,000 homestead exemption for persons who are over 65 years of age and/or disabled, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Moore seconded the motion, which passed by unanimous vote.

REVIEW AND, IF APPROPRIATE, APPROVE REQUEST FROM HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 ("MUD 364") FOR APPROVAL OF CONSTRUCTION PLANS FOR RECREATIONAL TRAIL MODIFICATIONS WITHIN EASEMENT AREAS OWNED BY THE DISTRICT

Mr. Burke discussed his assessment of MUD 364's construction plans for the proposed recreational trail modifications project, to be performed within easement areas owned by the District, noting MUD 364's engineer responded to his comments. Mr. Burke noted that he has informed MUD 364's engineer that access through Park at Arbordale for the project will not be allowed. Discussion ensued.

Following discussion, Director Small moved to approve the construction plans for the proposed recreational trail modifications project, to be performed within the Easement areas owned by the District, subject to modifications to plans, as discussed, and a maintenance agreement between the District and MUD 364. Director Coleman seconded the motion. Directors Small and Coleman voted for the motion, Director Moore abstained from voting, and the motion failed.

RECREATIONAL AND LANDSCAPE MATTERS

Mr. Murr reported on his coordination with Mr. Burke regarding MUD 364's construction plans for the proposed recreational trail modifications project.

Mr. Murr updated the Board regarding the proposed wildflower planting in the District.

The Board discussed a proposed sidewalk landing to tie into the existing sidewalk on south Coles Crossing Drive at the lap pool. Following discussion, the Board requested Murr, Inc. to coordinate with Director Small regarding the dimensions of the proposed landing and present a proposal for Board consideration at the next special meeting.

The Board discussed the proposed installation of sidewalks along Jarvis Road and Barker Cypress Road and related cost considerations. Discussion ensued.

## SAMPSON ELEMENTARY PLAYGROUND EQUIPMENT

The Board reviewed a playground contribution analysis prepared by Director Moore using the current debt service model report, a copy of which is attached. Discussion ensued.

Ms. Vinson updated the Board regarding a proposed interlocal agreement between the District and Cypress Fairbanks Independent School District. Discussion ensued.

Following discussion, Director Small made a motion to approve a donation of \$60,000 for playground equipment at Sampson Elementary School. No Director seconded the motion, and the motion failed.

Discussion ensued. Following discussion, Director Moore moved to approve a donation of \$105,000 for playground equipment at Sampson Elementary School. Director Coleman seconded the motion. Directors Coleman and Moore voted in favor of the motion, Director Small voted against the motion, and the motion failed.

## ENGINEERING MATTERS

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

Mr. Burke reviewed the monthly well pumpage and run time charts, copies of which are attached to the engineer's report.

Mr. Burke updated the Board regarding remote monitoring options for the District water plants using SCADA (Supervisory Control and Data Acquisition).

Mr. Burke updated the Board regarding the upcoming construction of surface water lines to be undertaken by the North Harris County Regional Water Authority ("NHCRWA"). He stated that Burke requested NHCRWA have the District's force mains on Jarvis Road located and tied in to verify fitting, as shown on their latest construction layout, noting that Burke is awaiting a response.

Mr. Burke stated that a realtor requested sewer service to serve the Woodworth Office Building, noting he suggested that the realtor send a request for capacity. He stated a capacity request for the Woodworth Office Building has not been received.

Mr. Burke updated the Board regarding the joint channel and drainage repairs project, noting that hydro-mulch seeding has been applied.

Mr. Burke stated that KKS Environmental, LLC ("KKS") resubmitted a revised proposal for repairs to the back-slope outfall in the Dry Creek basin (the "Outfall Repairs"), in the amount of \$19,500.00. He noted that he has requested proposals from two additional contractors for the outfall repairs for Board consideration.

Mr. Burke reviewed smart meter vendor and product information report, a copy of which is attached to the engineer's report. He noted he is awaiting propagation studies from the smart meter vendors. Discussion ensued. Following review and discussion, Director Small moved to authorize the District engineer to prepare a bid package for cellular-service-based smart meters and endpoints. Director Moore seconded the motion, which passed by unanimous vote.

Mr. Burke updated the Board regarding the easement descriptions and proposed land exchange between the District and Coles Crossing Community Association (the "CCCA"). Discussion ensued. The Board designated Directors Coleman and Moore to coordinate with CCCA regarding easement descriptions and proposed land exchange between the District and CCCA.

Mr. Burke reviewed a draft of the District's Capital Improvement Plan ("CIP"), a copy of which is attached to the engineer's report. He noted he is coordinating with the District's operator and landscape architect to finalize the CIP.

The Board reviewed the storm water management program report, a copy of which is attached.

#### WATER CONSERVATION AND DRAINAGE MATTERS

There was no discussion on this agenda item.

#### COMMUNICATION MATTERS

There was no discussion on this agenda item.

#### MEETING SCHEDULE

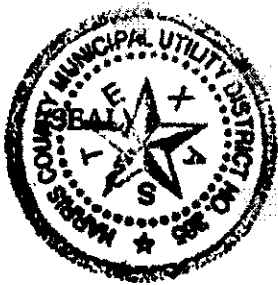
The Board concurred to hold the next special meeting on March 4, 2024, at 6:00 p.m., at the Coles Crossing Community Center, and the next regular meeting on March 21, 2024, at 12:00 p.m., at the offices of ABHR.

#### 2024 DIRECTORS ELECTION

Ms. Vinson stated that applications have been received for the 2024 Directors Election, noting the ballot drawing will take place Monday, February 26, 2024, at 10:00 a.m., at the offices of ABHR.

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

*Angela Small*  
Secretary, Board of Directors



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