

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 19, 2022

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 19th day of July, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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 Ryan Adkins of Triton Consulting; Brian Bare of Si Environmental LLC ("Si"); Odett McMullin of Bob Leared Interests, Inc.; Chris Burke of Burke Engineering, LLC; and Holly Huston and Whitney Higgins of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference or videoconference were Mary Jarmon of Myrtle Cruz, Inc.; Eric Badertscher and Linda Castro of Off Cinco.

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Director Myers presented his revisions to the June 6, 2022, minutes. Director Coleman then moved to approve all items on the consent agenda, including the June 6 minutes as revised. Director Cropper 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.

Mr. Adkins addressed the Board regarding services provided by Triton Consulting Group.

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

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon requested approval of additional check no. 1232 payable to Director Small. Following review and discussion, Director Small moved to approve the additional check as presented. Director Moore seconded the motion, which passed by a unanimous vote.

The Board next reviewed a draft budget for the fiscal year ending August 31, 2023. Ms. Jarmon reported the Joint Facilities draft budget will be submitted to Harris County Municipal Utility District No. 364 ("MUD 364") in accordance with the Joint Facilities Agreement. Following review and discussion, Director Moore moved to (1) defer approval of the budget for the fiscal year ending August 31, 2023; and (2) authorize submittal of the Joint Facilities Budget to MUD 364. Director Small seconded the motion, which passed unanimously.

The Board discussed attendance at the Association of Water Board Directors ("AWBD") winter conference. After discussion, Director Moore moved to authorize all interested directors to attend the AWBD winter conference. Director Small seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no discussion on this agenda item.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022

Ms. Higgins discussed to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that the legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Higgins reviewed the definitions, and the Board discussed three categories and the District's development status. Following review and discussion, Director Coleman moved to adopt a Resolution Regarding Development Status for the 2022 Tax Year establishing the District as a Developed District for the 2022 tax year, pursuant to Section 49.23602, Texas Water Code. Director Cropper seconded the motion, which passed unanimously.

ADDITIONAL BOOKKEEPING MATTERS CONTINUED

The Board considered voiding check no. 1210 for Director Cropper's Director fees and approval of additional check no. 1233 payable to Director Cropper for corrected Director fees. Following review and discussion, Director Coleman moved to approve the additional check, as presented. Director Moore seconded the motion, which passed by a unanimous vote.

WATER CONSERVATION MATTERS

Director Myers addressed the Board regarding grant application submittals with the Harris-Galveston Subsidence District, with a focus on obtaining federal and local grant dollars for irrigation and water conservation purposes.

The Board next discussed smart meters and potential funding opportunities. Discussion ensued regarding creating proposed timelines for smart meters and related project implementation. Directors Myers and Moore concurred to work on project timelines and present to the Board at a future meeting.

The Board next discussed the Cypress Creek Flood Coalition. No action was taken at this time.

ADDITIONAL OPERATING MATTERS

Mr. Bare and the Board discussed drought contingency matters.

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. Bare 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. Director Small moved that, since the customers on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the District's Rate Order. Director Cropper seconded the motion, which carried unanimously.

ENGINEERING SERVICES

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

Mr. Burke requested the Board authorize execution of a TPDES Permit Renewal for the Wastewater Treatment Plant.

Mr. Burke addressed the Board regarding the reclaimed water system (the "system"). He requested Board approval of a CenterPoint agreement for additional electrical service. Ms. Higgins noted that ABHR has reviewed the terms and conditions of the contract, and that the agreement is heavily in favor of CenterPoint and the District is unable to negotiate with CenterPoint. Discussion ensued regarding historical attempts to negotiate similar agreements with CenterPoint.

Following review and discussion, Director Small moved to (1) approve the engineer's report; (2) authorize execution of a TPDES Permit Renewal for the Wastewater Treatment Plant; and (3) authorize execution of the CenterPoint agreement for additional electrical service for the system. Director Moore seconded the motion, which passed by a unanimous vote.

The Board discussed the Bond application. Following review and discussion, Director Moore moved to authorize Burke to begin work to prepare a bond application. Director Cropper seconded the motion, which passed by a unanimous vote.

RECLAIMED WATER SYSTEM

Ms. Higgins updated the Board on recent communications related to the Reuse Credit Agreement (the "Agreement") between the District and the North Harris County Regional Water Authority (the "Authority"). She noted that upon receipt of an updated Agreement, ABHR will reach out to Harris County Municipal Utility District No. 364 regarding cost sharing negotiations as requested by the Board.

Mr. Burke updated the Board regarding the status of the system. Following discussion, Director Moore moved to (1) authorize Burke to prepare plans and specifications for the distribution system; and (2) request Burke prepare a timeline related to the system to present to the Board at a future meeting. Director Small seconded the motion, which passed unanimously.

ANNEXATION MATTERS

The Board next discussed the unauthorized storm water outfall at 12307 Woodworth Drive. Mr. Burke reported the District is in receipt of a \$40,000 developer deposit from the property owners who wish to move forward with a feasibility analysis.

The Board next considered approval of an annexation agreement between the District and Antonio & Reyna Ramirez (the "property owners"). Mr. Burke reported that once the executed annexation agreement is received from the property owners, the Board can move forward with authorizing the feasibility study and drainage analysis. Following review and discussion, Director Cropper moved to approve the annexation agreement between the District and property owners. Director Moore seconded the motion. Discussion ensued. The motion passed by a unanimous vote.

MEETING SCHEDULE

The Board discussed meeting on the following dates in August 2022: August 23, regular meeting and August 8, special meeting.

ENGAGE LAND BROKER

Discussion ensued regarding the possibility of engaging a land broker to assist with certain real estate matters.

ENGAGE GRANT WRITER

Discussion ensued regarding the possibility of engaging a grant writer to assist with obtaining federal and local grant dollars.

PUBLIC COMMUNICATIONS

Ms. Small addressed the Board regarding community events.

RECREATIONAL AND LANDSCAPE FACILITIES

There was no discussion on this agenda item.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

There being no further business brought before the Board, Director Myers moved to adjourn the meeting. The motion was seconded by Director Cropper which carried unanimously.



Asst. Secretary, Board of Directors

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