

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 20, 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 20<sup>th</sup> day of July, 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, except Director Myers, thus constituting a quorum.

Also present at the meeting were Michael Crafton, a resident of the District; Nathan White of Si Environmental LLC ("Si"); Chris Burke of Burke Engineering, LLC ("Burke"); Odett Newman of Bob Leared Interests, Inc. ("Leared"); Michael Murr of Murr Incorporated ("Murr, Inc."); and Adisa Harrington and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference was Mary Jarmon of Myrtle Cruz, Inc. ("MCI").

CONSENT AGENDA

Director Coleman offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Cropper moved to approve all items on the consent agenda. Director Small 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.

Mr. Crafton introduced himself to the Board.

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

### SECURITY REPORT

The Board reviewed the security report from the Harris County Sheriff's Office, a copy of which is attached.

The Board considered renewal of the District's Interlocal Agreement for Law Enforcement Services through the Harris County Sheriff's Department. Following discussion, Director Small moved to authorize renewal and execution of an Interlocal Agreement for Law Enforcement Services, subject to finalization. Director Moore seconded the motion, which passed by unanimous vote.

### ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon reported that the draft budget for the fiscal year ending August 31, 2024 has been submitted to District consultants for comment and the final draft will be presented at the next regular meeting for Board consideration.

The Board next reviewed a Joint Facilities draft budget for the fiscal year ending August 31, 2024. Following review and discussion, Director Small moved to approve the Joint Facilities budget for the fiscal year ending August 31, 2024. Director Cropper seconded the motion, which passed by unanimous vote.

Ms. Jarmon stated that she voided check no. 1475, in the amount of \$24,987.00, payable to Storm Water Solutions ("SWS"). She added that payment was re-issued to SWS, minus ten percent of the original amount owed, pending completion of punch-list items by Burke. The Board concurred to hold final payment owed, subject to verification and approval by Burke.

Ms. Harrington stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. Discussion ensued. Following discussion, Director Small moved to approve payment of directors' fees of office at the new maximum amount allowed by law, effective as of August 1, 2023. Director Cropper seconded the motion, which passed by unanimous vote.

The Board discussed the Association of Water Board Directors ("AWBD") summer conference and considered authorizing attendance at the winter conference. Following discussion, Director Small moved to approve reimbursement of all eligible

expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the winter conference. Director Cropper seconded the motion, which passed by unanimous vote.

#### ADDITIONAL OPERATING MATTERS

Mr. White reviewed the District's water accountability, as reflected in the operator's report. Discussion ensued.

Mr. White updated the Board regarding tree and vine removal near water plant nos. 1 and 2.

Mr. White updated the Board regarding the resetting of the damaged fire hydrant near Barker Cypress and Highway 290. Discussion ensued regarding the accident responsible for damage to the fire hydrant. Following discussion, the Board requested ABHR to request additional information from Deputy Endsley regarding the accident that damaged the fire hydrant.

Mr. White reported that there are no uncollectable accounts to send to a collection agency.

Director Small inquired about inflow preventors in District sanitary sewer manholes. Mr. White stated that he will review the sanitary sewer manhole inspection report and confirm whether the missing inflow preventers have now been replaced.

#### 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. Harrington reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons

proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Harrington explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Harris County and with the Texas Commission on Environmental Quality ("TCEQ"). Following review and discussion, Director Small moved to authorize execution of the Amendment to Information Form and to authorize filing with Harris County and the TCEQ. Director Moore seconded the motion, which passed by unanimous vote.

Ms. Harrington discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2023 tax year.

Following review and discussion, Director Small moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed District for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, 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.

#### RECREATIONAL AND LANDSCAPE MATTERS

Mr. Murr then presented and reviewed a landscape maintenance report, a copy of which is attached.

Mr. Murr updated the Board regarding the replacement of the benches and trash receptacles for the trails, noting that three additional benches have been ordered.

Mr. Murr updated the Board regarding repairs to the TREX bridge along the nature trail.

Mr. Murr updated the Board regarding the pruning of trees and vines along the trail and the detention basin.

Mr. Murr updated the Board regarding the asphalt overlay project and reviewed and recommended approval of Pay Estimate Nos. 4 and 5, in the respective amounts of \$43,856.63 and \$53,678.09, payable to Hayden Paving, Inc. ("Hayden"). Discussion ensued regarding the different asphalt repair methods used on the north and south sides of the trail and related drainage matters.

Mr. Murr updated the Board regarding drainage matters at the interactive fountain. He presented and reviewed a proposal in the estimated amount of \$6,500.00, for the installation of a French drain, to be performed by Murr, Inc.

Mr. Murr updated the Board regarding the replacement of nine dog waste baskets. Discussion ensued. Following discussion, the Board requested Murr, Inc. to add bull rock at the base of the dog waste stations, at no additional cost.

Mr. Murr presented and reviewed a proposal, submitted by Grayson Williams, for an Eagle Scout Project to conduct an orienteering course, a copy of which is attached to the landscape maintenance report. Following discussion, the Board concurred for Director Small to invite Grayson Williams to the District's special meeting to present his proposal to the Board.

Mr. Murr updated the Board regarding the reinstallation of three bench pads near the soccer field.

Following review and discussion, Director Small moved to (1) approve the landscape maintenance report; (2) approve Pay Estimate Nos. 4 and 5, in the respective amounts of \$43,856.63 and \$53,678.09, payable to Hayden, for the asphalt overlay project; and (3) approve the proposal for the installation of a French drain at the interactive fountain, at a cost not to exceed \$6,500.00. Director Moore seconded the motion, which passed by unanimous vote.

## PARK MATTERS

Directors Moore and Cropper reported on District park matters. The Board then discussed the terms of the Trails, Landscaping and Recreation Easement approved by the District on September 24, 2009. Discussion ensued regarding the proposed installation of a cement trail by Harris County Municipal Utility District No. 364.

## RECYCLING SERVICES

The Board reviewed a report on recycling matters within the District, a copy of which is attached.

## 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, noting that the permit expires June 23, 2028.

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 the water plant coating project. He reviewed and recommended approval of Change Order No. 2 to the contract with Blastco Texas, inc. ("Blastco") for the water plant coating project to increase the contract in the amount of \$3,961.71. Discussion ensued. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Burke then reviewed and recommended approval of Pay Estimate No. 6 and Final in the amount of \$15,241.26, payable to Blastco. He noted that the Certificate of Substantial Completion, dated June 19, 2023, has been issued by Burke.

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

Mr. Burke discussed a utility service request from Broadstone Coles Crossing Apartments for additional units, noting that the District has capacity to serve the additional units. A copy of the request is attached to the engineer's report.

Mr. Burke discussed a utility service request from Water Engineers, Inc. for 50,000 gallons per day of wastewater service to serve a tract located outside the District, a copy of which is attached to the engineer's report. He noted that approving the utility service request could limit development of the remaining vacant tracts in the District. Discussion ensued, and the Board concurred to deny the utility service request from Water Engineers Inc.

Mr. Burke then updated the Board regarding Phase One of the Reclaimed Water Distribution System. He stated that Burke is coordinating with the North Harris County Regional Water Authority regarding the surface water lines.

Mr. Burke updated the Board regarding the unauthorized outfall. He noted that the outfall has been removed to the property line but restoration of the area has not been completed.

Mr. Burke stated that nine bids were received for the joint channel and drainage repairs project, noting that he will provide a recommendation to the Board at the next regular meeting.

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

Mr. Burke reviewed a stormwater facilities management report, a copy of which is attached to the engineer's report.

Mr. Burke updated the Board regarding submittal of Bond Application No. 5 and reviewed with the Board an Estimated Project Timeline and Cash Flow for Certain Projects, a copy of which is attached to the engineer's report. Discussion ensued. Following discussion, the Board concurred to finalize non-potable water user agreements with the homeowners associations before selling bonds for construction of the Reclaimed Water System.

Mr. Burke updated the Board regarding the proposed smart meter project. Discussion ensued.

Following review and discussion, and based upon the engineer's recommendation, Director Moore moved to (1) approve the engineer's report; (2) approve Change Order No. 2 in the amount of \$3,961.71 as an increase to the contract with Blastco, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; and (3) approve Pay Estimate No. 6 and Final in the amount of \$15,241.26, payable to Blastco, for the water plant coating project and accept the project. Director Cropper seconded the motion, which passed by unanimous vote.

#### WATER CONSERVATION AND DRAINAGE MATTERS

The Board discussed the proposed smart meter project under the engineer's report.

#### NON-POTABLE WATER SYSTEM MATTERS

This matter was discussed under the engineer's report.

#### COMMUNICATION MATTERS

The Board discussed public communications, including preparation of a Board mission statement for posting on the District website.

The Board reviewed a proposal from Off Cinco for monthly Google Analytics Reports, in the amount of \$100 per hour, for approximately two hours for Google Analytics property migration and base report template, and \$50 for the creation and distribution of each report, a copy of which is attached. Discussion ensued. Following discussion, the Board designated Director Small to coordinate with Touchstone District Services to provide a proposal for website services, for Board consideration at the next meeting. The Board concurred to take no action on the proposal for monthly Google Analytics Reports.

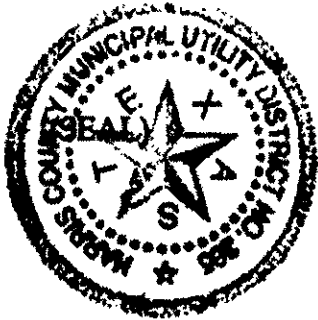
REPORT REGARDING LEGISLATIVE MATTERS

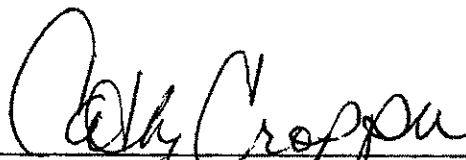
Ms. Harrington presented and reviewed a Capitol Report and updated the Board on legislative matters from the 88<sup>th</sup> Regular Texas Legislative Session.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on August 7, 2023, and the next regular meeting on August 17, 2023.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



  
Secretary, Board of Directors



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