

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 16, 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 16th day of June, 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, except Director Small, thus constituting a quorum.

Also present at the meeting were Michael Murr of Murr Incorporated; Greg Lentz and Chase Eastland of Masterson Advisors; Brian Bare of Si Environmental LLC ("Si"); Odett McMullin of Bob Leared Interests, Inc. ("BLI"); Chris Burke of Burke Engineering, LLC; and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference or videoconference were Angela Small; Mary Jarmon of Myrtle Cruz, Inc.; Anthony Velasquez of Off Cinco; and Whitney Higgins of ABHR.

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.

PUBLIC COMMENT

Director Myers offered any members of the public attending the meeting the opportunity to make public comment. There being no public comments, Director Myers moved to the next agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon reported the Joint Facilities budget will be submitted to Harris County Municipal Utility District No. 364 in accordance with the Joint Facilities Agreement.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon") to proceed with the collection of delinquent 2022 taxes. Following review and discussion, Director Moore moved to authorize Perdue Brandon to proceed with the delinquent tax collection. Director Cropper seconded the motion, which was approved by unanimous vote.

SMART METERS

The Board next discussed smart meters and potential funding opportunities. In connection with same, Mr. Lentz reviewed a revised cash flow analysis reflecting an \$8,725,000 bond sale, noting that the cash flow analysis included costs associated with the possibility of smart meter purchases and installation, as well as costs associated with the proposed reclaimed water system. A copy of the cash flow analysis for the proposed bond issue is attached. Discussion ensued.

WATER CONSERVATION

Director Myers discussed water conservation matters, including the timeline related to grant application submittals, with the focus on obtaining federal and local grant dollars for irrigation and water conservation purposes.

CYPRESS CREEK FLOOD CONTROL COALITION

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

ADDITIONAL OPERATING MATTERS

Mr. Bare updated the Board on repairs to the water valve and lift pump at the lift station.

Mr. Bare reviewed correspondence from the management company for Coles Crossing Homeowners Association ("HOA"), requesting that the Board waive the \$25.00 return fee incurred on 19 accounts for checks submitted for payment to Si that had bounced. Following review and discussion, Director Moore moved to refund the HOA \$10.00 for each of the returned checks, in the total refund amount of \$190.00. Director Cropper seconded the motion, which carried unanimously.

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 Moore 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 Coleman 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 updated the Board regarding the Water Plant Coating Project.

Mr. Burke updated the Board regarding the status of the unauthorized outfall into the commercial ditch. Discussion ensued. The Board concurred to further discuss correspondence related to this matter during the Attorney's Report, agenda item 20.

The Board requested that Mr. Burke prepare a visual survey of the District's channel system and present the same to the Board at the regular July meeting.

Following review and discussion, Director Coleman moved to (1) approve the engineer's report; and (2) authorize the engineer to perform the survey of the District's drainage facilities, as discussed. Director Cropper seconded the motion, which passed by a unanimous vote.

Messrs. Burke and Bare and the Board discussed drought contingency matters.

RECLAIMED WATER SYSTEM

Mr. Burke updated the Board regarding the status of design of the reclaimed water system. Discussion ensued.

Ms. Higgins updated the Board on recent communications related to the proposed Reuse Credit Agreement (the "Agreement") between the District and the North Harris County Regional Water Authority (the "Authority"), related to the calculation of certain pumpage fee credits with regards to the source of potable water from a water system that has been converted from a groundwater to surface water system. In connection with the same, Ms. Higgins reviewed the Agreement with the Board. Following discussion, Director Moore moved to approve and authorize

execution of the Agreement. Director Cropper seconded the motion, which passed by a unanimous vote.

ANNEXATION MATTERS

There was no discussion on this agenda item.

ENGAGE LAND BROKER

Discussion ensued regarding the possibility of engaging a land broker to assist with certain real estate matters. Director Myers reported that he would communicate with the land brokers and report his findings to the Board at the regular July meeting.

ENGAGE GRANT WRITER

Discussion ensued regarding the possibility of engaging a grant write to assist with obtaining federal and local grant dollars. Director Myers reported that he would communicate with the grant writers and report his findings to the Board at the regular July meeting.

PUBLIC COMMUNICATIONS

There was no discussion on this agenda item.

RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr distributed and reviewed a copy of the monthly landscape management report, a copy of which is attached.

Mr. Murr updated the Board on the progress of sidewalk construction. Discussion ensued regarding the width of the sidewalk along certain areas in the District.

Mr. Murr updated the Board on fencing installed by FenceCrete and the Board requested that Mr. Murr direct FenceCrete to continue fencing installation by the tennis courts while the contractor awaits the executed agreement from the HOA.

Mr. Murr updated the Board on the status of a leak at the splash pad and the survey of park benches and trash receptacles that need to be replaced.

The Board discussed the possibility of installing signage at the entrance of the parking lot located behind the trees on the detention basin side of Jarvis Road.

ATTORNEY'S REPORT

Ms. Higgins further discussed correspondence related to the unauthorized storm water outfall at 12307 Woodworth Drive. Following review and discussion, Director Cropper moved to authorize ABHR to send a letter demanding removal. Director Coleman seconded the motion, which passed by a unanimous vote.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071

At 1:19 p.m., Director Myers announced that the Board would convene in executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

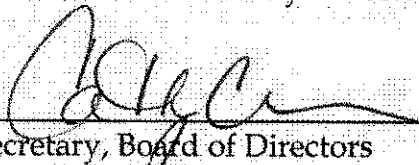
At 1:26 p.m., Director Myers announced that the Board would reconvene in open session. No action was taken by the Board.

MEETING SCHEDULE

The Board discussed meeting on the following dates in July 2022: July 21, regular meeting and July 11, special meeting.

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




Secretary, Board of Directors

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