

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 15, 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 15th day of June, 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"); 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 Myers 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 Coleman 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. There being no public comments, Director Myers moved to the next agenda item.

ADDITIONAL BOOKKEEPING MATTERS

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

Agreement. She stated that consultants' comments on the draft budget have not yet been received.

The Board considered holding check no. 1474, in the amount of \$416.65, payable to Cypress Creek Flood Control Coalition ("CCFCC"). Following review and discussion, the Board concurred to hold check no. 1474.

The Board considered holding check no. 1475, in the amount of \$24,987.00, payable to Storm Water Solutions pending completion of punch-list items by Burke. Following review and discussion, the Board concurred to hold check no. 1475, subject to verification and approval by Burke.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a renewal proposal from McDonald and Wessendorff Insurance for the District's insurance policies. Discussion ensued. Following discussion, Director Cropper moved to approve the insurance renewal proposal, as presented. Director Small 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 reported that Si will clear trees that had fallen near water plant no. 1 during a recent windstorm.

Mr. White reported that Si's Cypress location is now open for utility customers. He added a notice will be added to customer water bills.

Director Moore entered the meeting.

The Board reviewed Si's annual Consumer Price Index ("CPI") rate adjustment, a copy of which is attached. Discussion ensued.

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

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon") to proceed with the collection of delinquent 2023 taxes. Following review and discussion, Director Coleman moved to authorize Perdue Brandon to proceed with the delinquent tax collection. Director Small seconded the motion, which passed by unanimous vote.

APPROVE REQUEST FROM HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 ("MUD No. 364") FOR APPROVAL OF PRELIMINARY DESIGN PLANS FOR RECREATIONAL TRAIL MODIFICATION WITHIN EASEMENT AREAS OWNED BY THE DISTRICT

The Board reviewed the request from MUD No. 364 for approval of preliminary design plans for recreational trail modification within public recreation easements located on land owned by the District. Discussion ensued. The Board requested Ms. Harrington to review terms of the Trail, Landscaping and Recreation Easement approved by the District September 24, 2009. Following discussion, the Board concurred to table this agenda item.

RECREATIONAL AND LANDSCAPE MATTERS

Mr. Murr discussed District recreational and landscape matters.

Mr. Murr updated the Board regarding the asphalt overlay project. He noted that he will request payment of Pay Estimate No. 4, payable to Hayden Paving, inc., at the next meeting.

Mr. Murr updated the Board regarding the pruning of trees and vines along the trail and the detention basin. Discussion ensued, and the Board requested that Murr, Inc. prune the vines near Greenwood Manor.

Mr. Murr updated the Board regarding the adjustment of water pressure on the interactive fountain.

Mr. Murr updated the Board regarding the reinstallation of pads for three areas near the soccer field and reported that they were vandalized. He stated that Murr, Inc. will repair the vandalized pads.

Mr. Murr updated the Board regarding the installation of benches along the trail.

Mr. Murr updated the Board regarding the proposed replacement of the dog waste baskets. He recommended the Board approve replacing the dog waste station, which includes the baskets, in the estimated amount of \$322.00, plus installation, per station. Discussion ensued. Following discussion, Director Small moved to approve the installation of ten dog waste stations, at a cost not to exceed \$5,000.00. Director Cropper seconded the motion, which passed by unanimous vote.

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 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 and recommended approval of Pay Estimate No. 5 in the amount of \$44,523.94, payable to Blastco Texas, Inc. ("Blastco").

Mr. Burke stated that he has met with an electrical engineer regarding remote monitoring options for the District water plants using Supervisory Control and Data Acquisition ("SCADA"). He requested authorization to conduct a feasibility analysis at the hourly rate in an amount not to exceed \$3,000.00. Discussion ensued. Following discussion, Director Coleman moved to authorize Burke to conduct a feasibility analysis at the hourly rate in an amount not to exceed \$3,000.00. Director Cropper seconded the motion, which passed by unanimous vote.

Mr. Burke discussed a utility service request received by Cypress Kids on Jarvis Road for multi-family or office/warehouse use, noting that there are no existing District water or sewer lines near the tract. Discussion ensued. Following discussion, the Board requested Burke to determine the estimated cost to provide District utility service to Cypress Kids.

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

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. Discussion ensued. Following discussion, the Board requested ABHR to coordinate with Phelps Dunbar, LLP to discuss further options.

Mr. Burke updated the Board regarding the rehabilitation of the joint channel and drainage repairs. He reviewed the plans and specifications and requested the Board authorize him to advertise for bids for the construction of the joint channel and drainage repairs project. Following discussion, Director Small moved to authorize Burke to advertise for bids for the construction of the joint channel and drainage repairs project. Director Coleman seconded the motion, which passed by unanimous vote. The then Board requested Burke to coordinate with ABHR to issue notice of the project to Harris County Municipal Utility District No. 364, if necessary.

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

Mr. Burke updated the Board regarding submittal of Bond Application No. 5, noting that the bond issue has been approved by the Texas Commission on Environmental Quality. The Board requested Burke provide a project timeline and coordinate with the District's financial advisor regarding funding options and the proposed bond sale schedule.

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

Following review and discussion, and based upon the engineer's recommendation, Director Moore moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 5 in the amount of \$44,523.94, payable to Blastco, for the water plant coating project. Director Small seconded the motion, which passed by unanimous vote.

CONTRACT FOR LAND ACQUISITION SERVICES

The Board considered engaging Property Acquisition Services ("PAS") for land acquisition services. Following discussion, Director Small moved to engage PAS for land acquisition services. Director Cropper seconded the motion, which passed by majority vote, with Director Coleman abstaining.

PUBLIC COMMUNICATIONS AND COMMUNITY OUTREACH EVENTS

The Board discussed public communications. Following discussion, the Board requested ABHR to forward Director responses to resident inquiries to the rest of the Board for review.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER CONSERVATION EDUCATION PROGRAM

Ms. Harrington reported that the District has received the proposed Interlocal Agreement with Harris Galveston Subsidence District (the "Interlocal Agreement") and that the participation cost for the 2023-2024 school year will be at \$38.00. Following review and discussion, Director Small to approve the Interlocal Agreement up to 100 sponsorships per district, subject to MUD No. 364 concurring to split the cost 50/50. Director Moore seconded the motion, which passed by unanimous vote.

NON-POTABLE WATER SYSTEM MATTERS

There was no discussion on this agenda item.

MEETING SCHEDULE

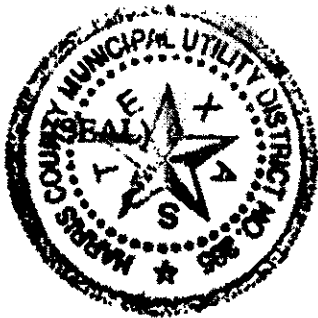
The Board concurred to hold the next special meeting on July 10, 2023, and the next regular meeting on July 20, 2023.

Director Myers discussed pending legislation that will create the Cypress Creek Drainage Improvement District.

Director Coleman left the meeting.

The Board discussed patrol staffing provided by Harris County Sheriff's Department ("HCSO") and concurred to authorize HCSO to provide one officer to devote seventy percent of their working hours for law enforcement services for the District.

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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