

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

May 18, 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 18<sup>th</sup> day of May, 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 Cropper, 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"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"); Michael Murr of Murr Incorporated ("Murr, Inc."); Greg Lenz of Masterson Advisors, LLC ("Masterson"); and Adisa Harrington and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

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

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Coleman moved to remove item (2) from the consent agenda and to approve the following agenda items: (1) the minutes from the April 10, 2023, special meeting, and the minutes from the April 20, 2023, regular meeting, as presented; (2) tax assessment and collection matters; and (3) the operator's report. 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 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.

## ITEM REMOVED FROM CONSENT AGENDA

The bookkeeper's report was discussed under Additional Bookkeeping Matters below.

## ELECTRICITY MATTERS

Mr. Oakley presented and reviewed a Texas Reliability Coalition proposal from Acclaim, a copy of which is attached, and discussed the District's potential participation in an electricity education aggregation. He stated that there is no cost to the District at this time to join the coalition and reported on the education program.

Mr. Oakley presented and reviewed the Resolution Authorizing Statement of Intent to Participate in Energy Redundancy Program (the "Resolution"). Discussion ensued.

Following discussion, Director Moore moved to (1) enroll the District in the Coalition; and (2) approve the Resolution, subject to ABHR review and finalization. Director Small seconded the motion, which passed by unanimous vote.

Mr. Oakley then presented an Acclaim Energy Management Agreement (the "Acclaim Agreement") and reviewed the scope of services and associated fees. Discussion ensued. Following discussion, Director Moore moved to approve the Acclaim Agreement and authorize Director Myers to execute the Agreement, subject to finalization, and direct that it be filed appropriately and retained in the District's official records. Director Small seconded the motion, which passed by unanimous vote.

## ADDITIONAL BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached.

The Board considered holding check no. 1470, in the amount of \$185,712.95, payable to Hayden Paving, Inc. ("Hayden") for payment of Pay Estimate Nos. 2 and 3, in the respective amounts of \$141,856.32 and \$43,856.63 for the asphalt overlay project. Discussion ensued. Following discussion, Director Myers moved to (1) void check no. 1470; (2) release check no. 1490 for Pay Estimate No. 2, in the amount of \$141,856.32, payable to Hayden; and (3) hold check no. 1489 for Pay Estimate No. 3, in the amount of \$43,856.63, subject to verification and approval by Murr, Inc. Director Coleman seconded the motion, which passed by unanimous vote.

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, Director Coleman moved to (1) approve the bookkeeper's report; and (2)

hold check no. 1474. Director Moore seconded the motion, which passed by unanimous vote.

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, Director Myers moved to hold check no. 1475, subject to verification and approval by Burke. Director Small seconded the motion, which passed by unanimous vote.

Ms. Jarmon then reviewed proposed revisions to the format of the District's budget for the fiscal year ending August 31, 2023. Discussion ensued.

The Board discussed the District's Travel Reimbursement Guidelines and the Association of Water Board Directors ("AWBD") summer conference in Corpus Christi scheduled for June 22-24, 2023. Following discussion, Director Small moved to authorize the Directors attending the AWBD summer conference in person to receive up to four per diems and reimbursement for up to three hotel nights and reasonable meals during the conference. Director Moore 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 reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached to the operator's report, regarding the quality of the District's water and stated that it will be filed with the Texas Commission on Environmental Quality ("TCEQ") and distributed to District residents by July 1, 2023. Following discussion, Director Small moved to approve the CCR and authorize it be distributed to the District's residence and Si to transmit the link to the CRR to Director Small for posting on the District's website. Director Coleman seconded the motion, which passed by unanimous vote.

Director Myers inquired about the District's connection report. Discussion ensued. Following discussion, the Board requested Si to review the District's connection history.

The Board then discussed a reported water meter leak on Coles Crossing Drive. Following discussion, the Board requested Si to determine the water adjustment cost for the water meter leak.

Director Myers discussed a reported discoloration of water due to a recent pipe flushing. Discussion ensued. Following discussion, the Board requested Si to distribute

notice to residents in the vicinity of future routine pipe flushing events and to coordinate with Directors Coleman and Small for website posting of same.

The Board then discussed the installation of inflow preventers in District manholes to prevent insects coming from the sewer manholes. Mr. White stated that he will review the manhole inspection report and confirm that inflow preventers that were reported missing have been replaced in manholes.

There was no discussion regarding amending the District's Rate Order.

#### 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 reported that 99.62% of the 2022 taxes have been collected as of April 30, 2023.

Ms. Newman reported the District's preliminary value for 2023 is \$681,311,960.

#### RECREATIONAL AND LANDSCAPE MATTERS

The Board discussed District recreational and landscape matters, including the installation of benches along the trail. Following discussion, the Board requested Murr, Inc. to present a revised proposal for three new benches, including freight costs, at the next special meeting for Board consideration.

Director Small reported that there are dog waste baskets in disrepair and in need of replacement. Following discussion, the Board requested Murr, Inc. to present a proposal for the replacement of dog waste baskets.

## 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. 4 in the amount of \$39,761.82, payable to Blastco Texas, Inc. ("Blastco").

Mr. Burke stated that Burke will meet with an electrical engineer regarding the feasibility of remote monitoring options for the District's water plants. Discussion ensued. Following discussion, the Board requested Burke present a cost estimate for the feasibility evaluation by Burke.

Mr. Burke reviewed the no-objection letter sent by Burke to the resident at 13518 Layton Castle Lane regarding a proposed residential pool.

Mr. Burke then updated the Board regarding Phase One of the Reclaimed Water Distribution System. Discussion ensued.

Mr. Burke updated the Board regarding the unauthorized outfall.

Mr. Burke updated the Board regarding the rehabilitation of the joint channel and drainage repairs.

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

Mr. Burke and Mr. Lentz updated the Board regarding submittal of Bond Application No. 5, noting that the bond issue has been declared administratively complete by the Texas Commission on Environmental Quality. Mr. Lentz reviewed a proposed schedule for sale of the bonds. Discussion ensued regarding adjusting the bond sale date.

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

Mr. Burke discussed the upcoming Cypress Creek erosion repair project to be undertaken by Harris County, noting that Burke and Si are listed with the County as emergency contacts on behalf of the District.

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. 4 in the amount of \$39,761.82, payable to Blastco, for the water plant coating project. Director Small seconded the motion, which passed by unanimous vote.

NON-POTABLE WATER SYSTEM MATTERS

Ms. Harrington updated the Board regarding non-potable water matters. Discussion ensued regarding the form Non-Potable Water Agreements to be provided to the Coles Crossing Community Association and Park at Arbordale Community Association.

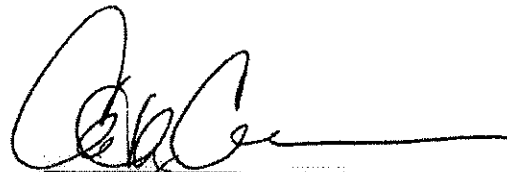
PUBLIC COMMUNICATIONS AND COMMUNITY OUTREACH EVENTS

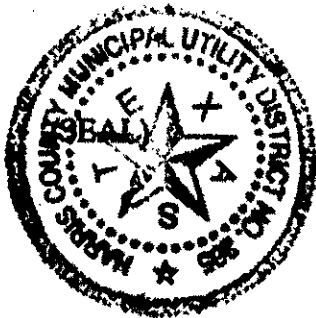
The Board discussed public communications and community outreach events. Discussion ensued.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on June 5, 2023, and the next regular meeting on June 15, 2023.

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

  
Secretary, Board of Directors



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