

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 20, 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 20<sup>th</sup> day of October, 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 Chase Eastland and Greg Lentz of Masterson Advisors; Michael Murr of Murr, Inc. ("Murr"); Brian Bare and Nathan White of Si Environmental LLC ("Si"); Odett Newman of Bob Leared Interests, Inc.; Chris Burke of Burke Engineering, LLC; and Adisa Harrington, Alia Vinson, and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference or videoconference were Mary Jarmon of Myrtle Cruz, Inc.; and Shannon Waugh 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 Cropper 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, 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.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES,  
AND AMENDMENT TO INFORMATION FORM

Mr. Lentz stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$0.41. The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing. Ms. Vinson presented an Order Levying Taxes reflecting the proposed 2022 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County. Following review and discussion, Director Cropper moved to: (1) adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$0.41 per \$100 of assessed valuation, comprised of \$0.22 to pay debt service on water, sewer, and drainage bonds, and \$0.19 for operations and maintenance; and (2) authorize execution of the Amendment to Information Form. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon reviewed the District and Joint Water Plant proposed amended budgets for fiscal year end August 31, 2023, copies of which are attached to the bookkeeper's report. Following discussion, Director Coleman moved to amend the budgets for fiscal year end August 31, 2023, as discussed. Director Cropper seconded the motion, which passed by unanimous vote.

Ms. Jarmon reported that MCI is still holding payment payable to the Coles Crossing Community Association Inc. ("CCCAI") in the amount of \$500 for the District's contribution for National Night Out for the purposes of solely advancing security matters for the District until such time that CCCAI has provided an invoice. Director Meyers stated that he will contact a representative of CCCAI regarding the invoice.

ADDITIONAL OPERATING MATTERS

The Board considered a leak adjustment request from the resident at 13819 Magnolia Manor Drive relating to a high water bill due to irrigation leaks. Following discussion, Director Moore moved to approve the leak adjustment request. Director Cropper seconded the motion, which passed unanimously.

Mr. Bare reported on emergency conditions requiring repairs to the well motor at Water Well No. 2. He presented and reviewed a proposal, in the amount of \$62,008.00, for motor repair, labor and motor rental, a copy of which is attached. He then reported on emergency conditions requiring replacement of the automatic transfer switch controller at Water Well No. 3 and presented a proposal in the amount of \$25,471.00, a

copy of which is attached. Following review and discussion, Director Moore moved to: (1) approve the proposal, in the amount of \$62,008.00, for motor repair, labor and motor rental at Water Well No. 2; (2) approve the proposal, in the amount of \$25,471.00, for replacement of the water plant generator automatic transfer switch controller at Water Well No. 3; (3) authorize ABHR to issue notices of emergency repair for the above projects to Harris County Municipal Utility District No. 364 ("No. 364"). Director Cropper seconded the motion, which passed by unanimous vote.

#### 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 Cropper 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 passed by unanimous vote.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman reported on uncollectible tax accounts from prior tax years, as shown in the tax assessor collector's report, and requested authorization to write off 14 delinquent tax accounts totaling \$3,215.40. She also presented additional check no. 1046, payable to Houston Chronicle, in the amount of \$850.90 for publication of the District's tax rate. Following discussion, Director Coleman moved to: (1) authorize the tax assessor to write off the 14 uncollectable accounts, as discussed; and (2) approve additional check no. 1046. 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.

The Board discussed the status of the reclaimed water system. Following discussion, Director Cropper moved to authorize ABHR to send a letter to No. 364, regarding their participation in the District's reclaimed water system program, subject to the Board president's final review. Director Moore seconded the motion, which passed by unanimous vote.

Mr. Burke updated the Board regarding preparation of Bond Application Report No. 5.

The Board considered authorizing execution of the construction contract for the Water Well No. 2 rehabilitation project awarded to C&C Water Services, LLC, in the amount of \$159,768 at the previous Board meeting. Following discussion, Director Cropper moved to authorize execution of the construction contract for the Water Well No. 2 rehabilitation project. Director Coleman seconded the motion, which passed by unanimous vote.

#### WATER CONSERVATION AND DRAINAGE MATTERS

Director Coleman addressed the Board regarding potential installation of smart meters and related funding options. Following discussion, Director Coleman moved to authorize the District's engineer to compile specifications and a bid package for the installation of smart meters. Director Moore seconded the motion, which passed by unanimous vote.

The Board discussed the grant application to the Harris-Galveston Subsidence District and considered authorizing Director Moore to prepare and submit the grant application with the Harris-Galveston Subsidence District for irrigation and water conservation purposes. Following discussion, Director Cropper moved to authorize Director Moore to prepare and submit the grant application with the Harris-Galveston Subsidence District for irrigation and water conservation purposes, subject to confirmation of the District's eligibility for the grant. Director Coleman seconded the motion, which passed by unanimous vote.

The Board next discussed conservation and drainage matters.

#### RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr presented and reviewed the recreational and landscape facilities report, a copy of which is attached.

Mr. Murr then reported that three bids were received for the asphalt trail repair project ("Asphalt Repair"). He recommended the Board award the contract to the lowest bidder Hayden Paving, Inc. ("Hayden") in the amount of \$386,718.89. Mr. Murr recommended alternates to include with the contract, including alternate no. 1, in the amount \$1,474.40 for trail repair; alternate no. 3, in the amount of \$34,119.84 for installation of Mirafi Geotextile Fabric; and alternate no. 4, in the amount of \$21,697.00 for traffic control for lane closure during construction for material drop during asphalt transport. The Board concurred that, in its judgement and based on the landscape architect's recommendation, Hayden was a responsible bidder who would be most

advantageous to the District and would result in the best and most economical completion of the project on behalf of the District.

Following review and discussion, Director Coleman moved to: (1) approve the recreational and landscape facilities report; and (2) award the contract for construction of the Asphalt Repair project to Hayden in the amount of \$386,718.89, based up the landscape architect's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. The Board confirmed that the contract award includes (a) alternate no. 1 in the amount \$1,474.40 for trail repair, upon preapproval by the Board; (b) alternate no. 3, in the amount of \$34,119.84 for the installation of Mirafi Geotextile Fabric; and (c) alternate 4, in the amount of \$21,697.00 for traffic control for lane closure during construction for material drop during asphalt transport, upon preapproval by the Board. Director Cropper seconded the motion, which passed by unanimous vote.

#### PUBLIC COMMUNICATIONS

Ms. Vinson addressed the Board regarding the District's public communications and recommended that the Board adopt a communications/social media policy. Following discussion, the Board authorized ABHR to prepare a communications/social media policy for review at the next regular meeting.

The Board tabled action on a proposal received from Off Cinco for social media management and Director e-mail accounts.

The Board concurred to discontinue the videoconference feature for future meetings, effective immediately.

#### ATTORNEY'S REPORT

Ms. Vinson introduced Ms. Harrington and Ms. Rossi of ABHR to the Board.

#### JOINT MEETING

The Board discussed setting the joint meeting with No. 364 on Wednesday, November 16, 2022 at 6:00 p.m., subject to confirming No. 364's availability.

#### MEETING SCHEDULE

The Board concurred to hold the next special meeting on November 7, 2022, and the next regular meeting on November 17, 2022.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR SETTLEMENT OFFER

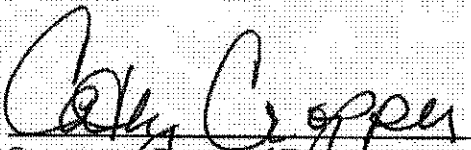
The Board convened in executive session at 1:29 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation, or settlement offer. Ms. Vinson stated that Mr. Bare, Mr. White, and Mr. Burke were needed in the Executive Session in order to render legal advice and the Board concurred for them to be present. Ms. Vinson Ms. Vinson, Ms. Harrington, Ms. Rossi, Mr. Bare, Mr. White, and Mr. Burke were also present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board reconvened in open session at 1:50 p.m. No Board action was taken.

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



  
Secretary, Board of Directors

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