

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 25, 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 25<sup>th</sup> day of October, 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 Directors Small and Cropper, thus constituting a quorum.

Also present at the meeting were Nathan White and Jarryd Mayfield of Si Environmental LLC ("Si"); Chris Burke of Burke Engineering, LLC ("Burke"); Odett Newman of Bob Leared Interests, Inc. ("Leared"); Greg Lentz of Masterson Advisors ("Masterson"); Michael Murr of Murr Incorporated ("Murr, Inc."); Tracey Scott of Myrtle Cruz, Inc.; Kendra Davis and Darrell Hatch of Harris County Public Health (the "County"); and Adisa Harrington and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

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

CONSENT AGENDA

Director Myers offered Board members the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Coleman moved to approve all items on the consent agenda, including the special meeting minutes of September 11, 2023, and the regular meeting minutes of September 21, 2023, both as revised, as well as the remaining items. 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 meetings.

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

There was no discussion on this agenda item.

## ADDITIONAL OPERATING MATTERS

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

Mr. White stated that the District has rescinded Stage 2 of the District Drought Contingency Plan ("DCP") and returned to Stage 1 effective October 12, 2023, noting communication has been distributed regarding same.

Ms. Harrington reported that the District has received notices of class action settlements with DuPont and 3M for damages to Public Water Systems due to the presence of Per- and Polyfluoroalkyl Substances ("PFAS") in drinking water. The Board concurred to discuss the matter in executive session.

The Board discussed the District's water accountability and customer billing, as reflected in the operator's report. Discussion ensued.

Ms. Davis and Mr. Hatch introduced themselves to the Board. Ms. Davis then discussed proposed District participation in the Harris County Public Health Wastewater-Based Epidemiology Program (the "Program"). Mr. Hatch distributed and reviewed an overview of the Program. Ms. Davis and Mr. Hatch answered the Board's questions about the Program, noting that the County will prepare an interlocal agreement in connection to the Program. Discussion ensued. Following discussion, Director Moore moved to explore potential participation in the Program and authorize ABHR to coordinate with the County regarding an interlocal agreement between the District and the County for Board consideration. Director Myers 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. 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 Coleman 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 Myers seconded the motion, which passed by unanimous vote.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no discussion on this agenda item.

## REVIEW FINAL ARBITRAGE REBATE REPORT FOR THE SERIES 2014 REFUNDING BONDS

The Board reviewed an arbitrage rebate report from OmniCap for the District's Series 2014 Refunding Bonds, which stated that the District does not owe the Internal Revenue Service any arbitrage rebate payments.

## CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Newman stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.3825. The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Harrington presented an Order Levying Taxes reflecting the proposed 2023 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 Moore moved to (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.3825 per \$100 of assessed valuation, comprised of \$0.180 to pay debt service on water, sewer, and drainage bonds, and \$0.2025 for operations and maintenance; and (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Coleman seconded the motion, which passed by unanimous vote.

## RECREATIONAL AND LANDSCAPE MATTERS

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

Mr. Murr updated the Board regarding tree pruning and vine control along the Coles Crossing Nature Path between Layton Castle Lane and Greenwood Manor Drive, noting that a dead tree has been removed from the fence at 13411 Far Point Manor Court.

Discussion ensued and the Board requested that Murr, Inc. confirm that maintenance work only be performed on land owned by the District.

Mr. Murr reported that Coles Crossing Community Association, Inc. ("CCCA") requested the Board authorize repairs to the concrete rail fence on property owned by CCCA at the entrance of Coles Crossing at Jarvis Road and Barker Cypress Road. He noted that the broken rails have been removed. Discussion ensued. Following discussion, Director Myers stated he will follow up with CCCA regarding possible removal of the fence.

Director Coleman inquired about vine control and clearing of debris along areas of the trail. Following discussion, the Board requested Murr, Inc. to survey the trail for additional maintenance needed.

Mr. Murr updated the Board on electrical and irrigation issues on the North Trail, noting that he is reviewing repair options for the best course of action. Discussion ensued. Following discussion, the Board requested Murr, Inc. to determine if it is possible to reroute the existing electricity.

Mr. Murr reported on the proposed planting of trees by Trees for Houston, noting that the District will receive 150 trees. Discussion ensued regarding distribution and irrigation of the proposed trees.

Director Myers stated that it had been reported that railroad ties and spikes were in disrepair located in the parking area south of the detention pond on Jarvis Road. Following discussion, the Board requested Murr, Inc. to remove the railroad ties and spikes located in the parking area south of the detention pond on Jarvis Road.

#### ENGINEERING MATTERS

Mr. Burke presented and reviewed the engineer's report, a copy of which is attached.

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 upcoming construction of surface water lines to be undertaken by North Harris County Regional Water Authority ("NHCRWA"). He reviewed the proposed revised route maps for the NHCRWA surface water lines, copies of which are attached to the engineer's report. Discussion ensued.

Mr. Burke then updated the Board regarding the upcoming water plant chloramine conversion project to be undertaken by NHCRWA.

Mr. Burke updated the Board regarding a utility service request from Broadstone Coles Crossing Apartments.

Mr. Burke updated the Board regarding a utility service request from Dundee Court for a medical office building.

Mr. Burke updated the Board regarding a utility service request from RSG Engineering, Inc. for water and wastewater service for a 24.4-acre office park tract located at 15535 Jarvis Road, Cypress, Texas 77429.

Mr. Burke updated the Board regarding the Reclaimed Water Distribution System. Discussion ensued regarding whether to proceed with the project. No Board action was taken.

Mr. Burke updated the Board regarding the joint channel and drainage repairs project, noting that ABHR submitted notice to Harris County Municipal Utility District No. 364 ("MUD 364") regarding the repairs and MUD 364 had no comments, so the project can proceed.

Mr. Burke updated the Board regarding the proposed smart meter project. Discussion ensued, and the Board concurred to receive presentations from smart meter vendors before finalizing the bid package for the project.

The Board discussed the proposed bond sale.

#### WATER CONSERVATION AND DRAINAGE MATTERS

Director Myers updated the Board regarding an upcoming community meeting to be held by Cypress Creek Drainage Improvement District.

#### ADDITIONAL RECLAIMED WATER SYSTEM MATTERS

The Board discussed the terms of the proposed Non-Potable Water User Agreement between the District and Coles Crossing Community Association.

#### COMMUNICATION MATTERS

The Board discussed public communications matters.

The Board requested Si remove the posted signs promoting water restrictions and coordinate with the District webmaster to update the District's website.

Ms. Harrington stated that a report was received regarding water theft, noting that Si has been notified.

The Board then discussed reorganization of the Communications and Parks Committees. Following discussion, the Board designated Directors Moore and Small to serve on the District's Communications Committee, and Directors Coleman and Cropper to serve on the District's Parks Committee.

#### MEETING SCHEDULE

The Board concurred to hold the next special meeting on November 6, 2023, at 6:00 p.m., at the Coles Crossing Community Center, and the next regular meeting on November 16, 2023, at 12:00 p.m., at the offices of ABHR.

#### 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 11:43 a.m., pursuant to Section 551.071, Texas Government Code, to deliberate the pending or contemplated litigation, or settlement offer. Ms. Harrington and Ms. Rossi were also present.

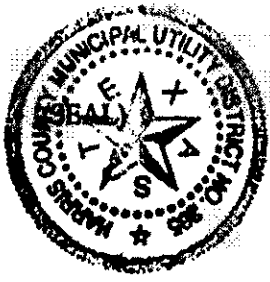
#### RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR THE LEGAL ADVICE BY THE DISTRICT'S ATTORNEY

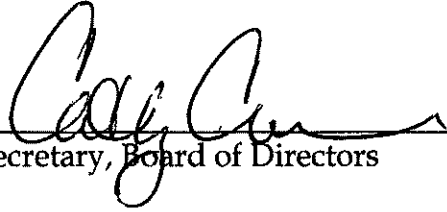
The Board reconvened in open session at 11:49 a.m. No action was taken by the Board.

The Board discussed a proposed Director per diem policy. Following discussion, the Board requested ABHR to prepare a policy regarding payment of Director per diems, for Board consideration.

The Board discussed District donations for community events and projects.

There being no further business to come 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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