

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 15, 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 15th day of September, 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 Cropper, thus constituting a quorum.

Also present at the meeting were Gloria Bingham, resident of the District; Chase Eastland and Greg Lentz of Masterson Advisors; Sherri Greenwood of FORVIS, LLP ("FORVIS"); Brian Bare of Si Environmental LLC ("Si"); Odett Newman of Bob Leared Interests, Inc.; Chris Burke of Burke Engineering, LLC; Whitney Higgins and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via teleconference or videoconference were Mary Jarmon of Myrtle Cruz, Inc.; and Linda Castro 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 Moore then moved to approve all items on the consent agenda. 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.

Ms. Bingham addressed the Board regarding her recent water bill statement which was over \$800. She stated a plumber repaired a small leak but that does not seem to account for her almost 100,000 gallons in usage. Ms. Bingham reported she has been waiting for Si to come out and inspect her property. She then requested the Board

consider adjusting her outstanding balance to match her average monthly usage and for Si to investigate the issue. Director Myers stated Ms. Bingham would have to submit a leak adjustment request to the District for the Board to officially discuss. Mr. Bare reported Si will protect her account until the Board can consider the leak adjustment request at their next meeting.

There being no additional public comments, Director Myers moved to the next agenda item.

ADDITIONAL BOOKKEEPING MATTERS

The Board directed MCI to hold 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 confirming the donation was used for the approved reason.

Discussion ensued regarding the District's Monetary donation to the Cypress Creek Flood Coalition ("CCFC"). Following discussion, the Board concurred to authorize MCI to begin the District's monthly donation of \$416.67 until the Board directs otherwise.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman reported the District's certified value for 2022 was \$575,857,003 with uncertified values in the amount of \$52,356,457.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Lentz reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.235 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$575,857,003, plus \$52,356,457 representing the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Higgins discussed the two-step process for setting the District's tax rate. Following review and discussion, Director Small moved to (1) set the public hearing date for October 20, 2022; and (2) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting on October 20, 2022, to conduct a public hearing on the proposed 2022 total tax rate of \$0.41 per \$100 of assessed valuation, with \$0.235 allocated for debt service on water, sewer, and drainage bonds, and \$0.175 allocated for operations and maintenance. Director Moore seconded the motion, which passed unanimously.

WATER CONSERVATION AND DRAINAGE MATTERS

The Board discussed smart meters and potential funding opportunities.

Director Myers addressed the Board regarding grant application submittals with the Harris-Galveston Subsidence District, with a focus on obtaining federal and local grant dollars for irrigation and water conservation purposes.

The Board next discussed the CCFC and the recent meeting held to discuss Cypress Creek flooding mitigation.

Ms. Higgins 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 2022-2023 school year will be at \$38.00. Following review and discussion, upon a motion by Director Small and a second by Director Moore, the Board voted unanimously to approve the Interlocal Agreement.

ADDITIONAL OPERATING MATTERS

There was no additional discussion on operating matters.

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 Coleman 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 Myers 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 reported that four (4) bids were received on September 13, 2022, for the construction of the Water Well No. 2 rehabilitation project. (the "project"). He recommended the Board award the contract to the lowest bidder C&C Water Services, LLC ("C&C") in the amount of \$159,768. The Board concurred that, in its judgment and based on the engineer's recommendation, C&C 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 discussion, Director Coleman moved to award the contract for the project to C&C in the amount of \$159,768 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. Director Small seconded the motion which passed by a unanimous vote.

Mr. Burke updated the Board regarding a proposed commercial development on Dundee Court.

Mr. Burke updated the Board regarding the status of the reclaimed water system and presented and reviewed a timeline for the same. Following discussion, The Board concurred to request ABHR to begin preparation of the front-end user agreements so that the Board can approach CCCAI, The Park at Arbordale CA, Inc., and other interested parties.

The Board next discussed the unauthorized storm water outfall at 12307 Woodworth Drive. Ms. Higgins reported the property owners provided items requested by the annexation agreement, however deficiencies in the documents provided include but are not limited to federal tax liens on the property. She reported that on September 7, 2022, ABHR sent a letter to the property owners, their engineer, and legal team stating the deadline to remove the unauthorized outfall and restore all areas owned by the District to their original condition remains 30 days from September 15, 2022.

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

RECREATIONAL AND LANDSCAPE FACILITIES

There was no discussion on this agenda item.

ENERGY PRICING REPORT

Mr. Oakley reported the municipal utility district aggregate electricity pool for electricity service the District previously agreed to join at \$0.04186 per kWh is no longer an attainable strike price. He requested Board authorization to join the municipal utility district aggregate electricity pool for electricity service at a strike price of \$0.05995. Following review and discussion, Director Small moved to approve the strike price of \$0.05995 per kWh in an amount not to exceed the same. Director Moore seconded the motion which passed by a unanimous vote.

ATTORNEY'S REPORT

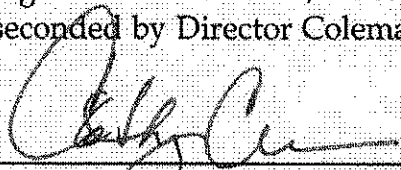
There was no discussion on this agenda item.

MEETING SCHEDULE

The Board discussed meeting on the following dates in October: October 20, regular meeting and October 10, special meeting.

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





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Operator's report.....	1
Tax assessor/collector's report.....	1
Tax Rate Recommendation.....	2
Engineers Report.....	3