

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

May 21, 2024

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 21st day of May, 2024, 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:

| | |
|------------------|--------------------------|
| Greg Coleman | President |
| Cathy Cropper | Vice President |
| Angela Small | Secretary |
| Ann Nguyen Moore | Assistant Secretary |
| Vacant | Assistant Vice President |

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Mike Crafton, a resident of the District; 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"); Megan Bradley of Harris County Municipal Utility District No. 364 ("MUD 364"); Erin Garcia of Myrtle Cruz, Inc. ("MCI"); and Adisa Harrington and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via audioconference was Mary Jarmon of MCI.

PUBLIC COMMENT

Director Coleman offered any members of the public attending the meeting the opportunity to make public comment.

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

2024 DIRECTORS ELECTION

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DIRECTORS ELECTION

The Board reviewed the certified returns from Election Officials for the District's May 4, 2024, Directors Election. Ms. Harrington presented an Order Canvassing Returns and Declaring Results of Directors Election, reflecting the following results, as indicated in the certified returns:

| <u>Candidate Name</u> | <u>Votes</u> |
|-----------------------|--------------|
| Cassandra Cronin | 161 |
| Jery D Martin | 72 |
| Ann Nguyen Moore | 166 |
| Angela M. Small | 104 |
| Michael Crafton | 208 |
| Mark D Frieden | 87 |

Director Coleman, President of the Board, noted the completion of the canvass of the returns of the election pursuant of Section 67.004(g), Texas Election Code. Following review and discussion, Director Moore moved to adopt the Order Canvassing the Returns and Declaring Results of the Directors Election, reflecting that Michael Crafton, Cassandra Cronin and Ann Nguyen Moore have been elected to the Board of Directors each to serve a four-year term and direct that the Order be filed appropriately and retained in the District's official records. Director Cropper seconded the motion, which passed by unanimous vote.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Michael Crafton, Cassandra Cronin, and Ann Nguyen Moore to the Board of Directors of the District each for a four-year term. Following review and discussion, Director Cropper moved to (1) approve the Certificate of Election; and (2) direct that all of the documents be filed appropriately and retained in the District's official records. Director Moore seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENTS, BONDS, AND OATHS OF OFFICE

Ms. Harrington reviewed the Sworn Statements, Bonds and Oaths of Office for Directors Crafton, Cronin, and Moore. Following review and discussion, Director Moore moved to (1) approve the Sworn Statements, Official Bond, and Oaths of Office; and (2) direct that all of the documents be filed appropriately and retained in the District's official records. Director Cropper seconded the motion, which passed by unanimous vote.

AUTHORIZE PAYMENT TO ELECTION OFFICIALS

The Board considered authorizing payment to election officials for the 2024 Directors Election. Following discussion, Director Moore made a motion to authorize payment to election officials. Director Cropper seconded the motion, which passed by unanimous vote.

REORGANIZE AND ELECT OFFICERS

The Board then considered reorganizing the Board. Following discussion, the Board concurred to reorganize the Board as follows:

| | |
|------------------|--------------------------|
| Greg Coleman | President |
| Cathy Cropper | Vice President |
| Ann Nguyen Moore | Secretary |
| Cassandra Cronin | Assistant Secretary |
| Michael Crafton | Assistant Vice President |

and all of the above were present, except Director Cronin, thus constituting a quorum.

Following discussion, Director Cropper moved to reorganize the Board, as described above. Director Moore seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors. Following review and discussion, Director Cropper moved to authorize filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors. Director Moore seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Harrington distributed and reviewed a memorandum regarding Texas Open Meetings Act ("TOMA") and Texas Pubic Information Act ("TPIA")) training requirements for Directors and encouraged Directors Crafton and Cronin to receive their TOMA and TIPA trainings as soon as possible and forward their certificates of completion to ABHR for inclusion in the District's permanent records. Ms. Harrington encouraged Directors Coleman, Cropper, and Moore to complete TPIA training as soon as possible and forward their certificates of completion to ABHR for inclusion in the District's permanent records.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE AND LIST OF LOCAL GOVERNMENT OFFICERS FOR THE DISTRICT

Ms. Harrington stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers.

She reviewed the List of Local Government Officers. Following review and discussion, Director Cropper moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Moore seconded the motion, which passed by unanimous vote.

CONSENT AGENDA

Director Coleman offered Board members 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 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.

ADDITIONAL BOOKKEEPING MATTERS

There were no additional per diem requests.

The Board discussed the District's Travel Reimbursement Guidelines and the Association of Water Board Directors ("AWBD") summer conference in Fort Worth scheduled for June 13-15, 2024. Following discussion, Director Cropper 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.

The Board considered ratifying a Resolution Expressing Intent to Reimburse for the smart meter project. Following review and discussion, Director Cropper moved to ratify the Resolution Expressing Intent to Reimburse. Director Moore seconded the motion, which passed by unanimous vote.

DISCUSS PATROL STAFFING FOR 2025

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

ADDITIONAL OPERATING MATTERS

Ms. Harrington reported the Water Smart Committee announced the District will be included in the Water Smart Partners program for 2024. She noted the District will

be recognized at the 2024 AWBD Annual Conference Awards luncheon, which Directors are invited to attend.

Mr. Mayfield updated the Board regarding repairs and maintenance following the recent weather event.

Mr. Mayfield stated there are no uncollectible accounts to be written off or sent to collections this month.

Mr. Mayfield reviewed the Consumer Confidence Report ("CCR"), regarding the quality of the District's water and stated that it will be filed with the TCEQ and distributed to District residents by July 1, 2024. He noted Si will distribute the CCR to the Board prior to posting and distributing the CCR. Following discussion, Director Cropper moved to approve the CCR, subject to receipt of comments to the CCR prior by May 31, 2024, and finalization. Director Crafton seconded the motion, which passed by unanimous vote.

Ms. Harrington updated the Board regarding the proposed Amended and Restated Drought Contingency Plan. The Board concurred to defer action on this agenda item.

The Board requested Si coordinate with the District's Directors and ABHR to schedule a tour of the District's facilities.

Director Moore inquired about a customer request for reimbursement of a stained comforter in the washing machine. Discussion ensued. Following discussion, the Board concurred to deny the request for reimbursement of a stained comforter in the washing machine and requested Si to follow up with the customer regarding the Board's decision.

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. Mayfield 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 Cropper 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 Crafton seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman updated the Board on 2023 tax collections.

Ms. Newman presented and reviewed the delinquent tax report, prepared by Perdue, Brandon, Fielder, Collins & Mott, LLP (“Perdue Brandon”), a copy of which is attached to the tax assessor/collector’s report. No Board action was taken.

UPDATE ON HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 (“MUD 364”) TRAIL MODIFICATIONS PROJECT AND APPROVE RELATED MAINTENANCE AGREEMENT

Ms. Harrington updated the Board regarding the MUD 364 trail modifications project, related construction access matters, and the proposed maintenance agreement for the project. Discussion ensued. Following discussion, the Board deferred taking action on the maintenance agreement.

Director Crafton inquired about potential consolidation of the District and MUD 364. Discussion ensued.

RECREATIONAL AND LANDSCAPE MATTERS

Director Moore updated the Board regarding removal of a tree that fell during the recent weather event.

Director Crafton discussed drainage matters and debris located in overflow swales near Dry Creek. Discussion ensued and the Board concurred for Burke to prepare a proposal for removal of debris from the overflow swale.

ENGINEERING MATTERS

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

Mr. Burke updated the Board regarding the upcoming construction of water transmission lines for Projects 37D and 37E, to be undertaken by the North Harris County Regional Water Authority (“NHCRWA”).

Mr. Burke updated the Board regarding the upcoming construction of surface water conversion lines for Project 37J, to be undertaken by the NHCRWA, noting the District’s operator will review drawings prepared by NHCRWA.

Mr. Burke updated the Board regarding the proposed drainage improvements project in The Park of Arbordale, noting Burke and Director Coleman met with the adjacent residents on May 20, 2024. He recommended the Board authorize Burke to investigate the drainage issues in The Park of Arbordale. Discussion ensued.

Mr. Burke updated the Board regarding the electronic water metering system ("smart meter project"). He noted Burke requested a proposal for two electronic interconnect meters from Accurate Meter and Supply.

Mr. Burke updated the Board regarding the upcoming sanitary sewer evaluation and rehabilitation project to be performed by MUD 364.

Mr. Burke reviewed a draft map of shared facilities between the District and the Coles Crossing Community Association, Inc. Discussion ensued regarding ownership of certain land in the District.

The Board considered authoring Burke to coordinate with ABHR to prepare appropriate ownership documentation for the conveyance of the lift station no. 2 site to the District.

Ms. Harrington updated the Board regarding the District's application to extend the TCEQ's June 6, 2023 order approving bonds.

The Board reviewed the storm water management program report, a copy of which is attached.

Following review and discussion, and based on the engineer's recommendation, Director Cropper moved to (1) approve the engineer's report; (2) authorize Burke to investigate the drainage issues in The Park of Arbordale; and (3) authorize Burke to coordinate with ABHR to prepare appropriate ownership documentation for the conveyance of the lift station no. 2 site to the District. Director Crafton seconded the motion, which passed by unanimous vote.

WATER CONSERVATION AND DRAINAGE MATTERS

There was no discussion on this agenda item.

COMMUNICATION MATTERS

Director Moore updated the Board regarding District communication matters.

Director Coleman requested ABHR to compile a list of the District's committees and distribute the list to the Board.

The Board discussed Director responses to e-mail communications received through the District's website. Discussion ensued regarding responses to communication received through the District's website, including requests for District's records that are subject to the Texas Public Information Act. Following discussion, the Board designated Director Moore to respond to e-mail communications received through the District's website to facilitate an appropriate response from the appropriate District consultant.

Ms. Harrington inquired whether the Board would like to post information regarding the 2026 Directors Election on the District website, noting that the District is not required to do so until closer to the election. Following discussion, the Board concurred not to post 2026 Directors Election information at this time. The Board requested ABHR to coordinate with Off Cinco to remove the 2024 Directors Election language on the Elections Page and to post the results of the District's 2024 Directors Election on the Latest News Page.

Ms. Harrington reported on an inquiry received from a District resident regarding the District's pending donation to Sampson Elementary School for playground equipment. Discussion ensued.

ATTORNEY'S REPORT

UPDATE ON DONATION TO SAMPSON ELEMENTARY FOR PLAYGROUND EQUIPMENT AND RELATED INTERLOCAL AGREEMENT WITH CY-FAIR INDEPENDENT SCHOOL DISTRICT

Ms. Harrington updated the Board regarding the donation to Sampson Elementary School for playground equipment and the related Interlocal Agreement with Cy-Fair Independent School District and MUD 364. Discussion ensued. The Board discussed a request for additional District funding for the playground equipment. Following discussion, the Board concurred to consider the request at the next special meeting.

ANNUAL REVIEW OF 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 2024-2025 school year will be \$38.00 per sponsorship. Following review and discussion, Director Cropper moved to approve the Interlocal Agreement for 100 sponsorships. Director Moore seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on June 10, 2024, at 6:00 p.m., at the Coles Crossing Community Center, subject to Director availability, and the next regular meeting on June 20, 2024, at 12:00 p.m., at the offices of ABHR.

On behalf of the Board, Director Coleman thanked Ms. Small for her service to the District.

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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