

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

August 15, 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 15<sup>th</sup> day of August, 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
Ann Nguyen Moore	Secretary
Cassandra Cronin	Assistant Secretary
Michael Crafton	Assistant Vice President

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

Also present at the meeting were Jarryd Mayfield of Si Environmental LLC ("Si"); Odett Newman of Bob Leared Interests, Inc. ("Leared"); Chris Burke of Burke Engineering, LLC ("Burke"); Sherri Greenwood of Forvis Mazar, LLP ("Forvis"); Linda Castro of Off Cinco; Michael Willett and Dee Russell of Touchstone District Services ("Touchstone"); Tracey Scott of Myrtle Cruz, Inc.; 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 Coleman offered Board members the opportunity to remove items from the consent agenda for individual discussion. Following discussion, Director Moore moved to approve all items on the consent agenda, including the minutes from the July 18, 2024 regular meeting and the July 24, 2024 special meeting. Director Cropper seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached, excluding the minutes and the recycling report from the previous meeting.

PUBLIC COMMENT

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

Ms. Castro introduced herself to the Board.

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

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END AUGUST 31, 2024

Ms. Greenwood reviewed a proposal for auditing services from Forvis. She stated the estimated fees are \$21,900 for the District audit and \$2,700 to audit each joint facility account, plus expenses. Following discussion, Director Moore moved to approve the audit proposal from Forvis. Director Crafton seconded the motion, which passed by unanimous vote.

REVIEW AND, IF APPROPRIATE, APPROVE CRIME BOND INSURANCE PROPOSAL

The Board reviewed three options for crime bond insurance coverage. Discussion ensued. Following discussion, Director Cropper moved to approve the \$250,000 crime bond insurance coverage, as presented. Director Crafton seconded the motion, which passed by unanimous vote.

ADDITIONAL BOOKKEEPING MATTERS

There were no additional per diem requests.

Ms. Jarmon presented additional check no. 1856 payable to Director Moore in the amount of \$1,567.14 for expenses relating to her attendance at the Association of Water Board Directors summer conference, which Ms. Jarmon confirmed were submitted in accordance with the District's Guidelines, and check no. 1857 payable to KKS in the amount of \$13,860.00 for outfall repair (collectively, the "Additional Checks"). Following review and discussion, Director Moore moved to approve the Additional Checks. Director Cropper seconded the motion, which passed by unanimous vote.

The Board reviewed a draft budget for the fiscal year ending August 31, 2025 and discussed revisions to same. Following review and discussion, Director Cropper moved to approve the budget for the fiscal year ending August 31, 2025, as discussed. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. Mayfield updated the Board regarding District operating matters.

Mr. Mayfield requested authorization to send two uncollectable accounts totaling \$299.98 to a collection agency.

Mr. Mayfield reviewed the monthly customer call log, a copy of which is attached to the operator's report.

Mr. Mayfield stated Si scheduled a facilities tour for interested District Directors to be held August 30, 2024 at 8:00 a.m.

The Board discussed the fee charged to residents for review and inspection of proposed swimming pools and considered amending the District's Rate Order. Discussion ensued regarding potential Rate Order changes relating to Public Facility Corporations. Following discussion, the Board concurred not to amend the District's Rate Order at this time.

Ms. Harrington updated the Board regarding the proposed Amended and Restated Drought Contingency Plan. Discussion ensued. Following discussion, Director Moore moved to approve the Amended and Restated Drought Contingency Plan, subject to coordination with Harris County Municipal Utility District No. 364 ("MUD 364") and finalization. Director Crafton seconded the motion, which passed by unanimous vote.

The Board discussed the District's Water Smart application.

Following review and discussion, Director Crafton moved to authorize the operator to send two uncollectable accounts totaling \$299.98 to a collection agency. Director Cropper seconded the motion, which passed by unanimous vote.

Ms. Harrington provided an update regarding PFAS water sampling 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. 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 Crafton 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 Cropper seconded the motion, which passed by unanimous vote.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman updated the Board on 2023 tax collections.

The Board concurred to defer discussion regarding the District's 2024 tax rate pending receipt of January 1, 2024 certified values from the Harris Central Appraisal District. Discussion ensued regarding the taxable status of the apartment complex located in the District.

Ms. Newman presented and reviewed a delinquent tax report prepared by Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached.

## UPDATE ON HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 TRAIL MODIFICATIONS PROJECT AND APPROVE RELATED MAINTENANCE AGREEMENT

The Board reviewed and discussed MUD 364's the trail modifications and considered approving revisions to the project plan. Mr. Burke stated Burke reviewed the proposed revisions and recommends Board approval of the final plans for the project, including the proposed revisions. Following discussion, Director Cropper moved to approve the final plans for the project, including the recommended revisions, and authorize Burke to notify MUD 364 of the Board's approval. Director Cronin seconded the motion, which passed by unanimous vote.

## RECREATIONAL AND LANDSCAPE FACILITIES

The Board discussed landscape maintenance matters in the District, including dead grass on the channel along the North Trail, near the tennis courts.

Director Crafton inquired about excess dirt deposited in areas around the rehabilitated drainage facilities. Mr. Burke stated Burke will coordinate with Murr, Inc. and Storm Water Solutions and investigate the affected areas. The Board requested that Burke also obtain a proposal from Storm Water Solutions for regular inspections of the District's drainage and detention facilities.

## ENGINEERING MATTERS

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

Mr. Burke updated the Board regarding remote monitoring options for the District water plants using SCADA (Supervisory Control and Data Acquisition),

noting Burke is coordinating with the electrical engineer and will add a line item to the District's Capital Improvement Plan.

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.

Mr. Burke discussed a utility service request received by Kids R Kids and land behind the horse stables, noting Burke is reassessing the request upon discovering that the nearest water and sewer lines are approximately 3,000 feet from the development site. Discussion ensued.

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

Mr. Burke updated the Board regarding the proposed drainage improvements project in The Park of Arbordale, noting a new storm sewer may alleviate street flooding in the cul-de-sac on Twisting Ivy. He stated the project would require easements from the impacted residents and approval from Harris County, Precinct 3 and Harris County Flood Control District (collectively, the "County"), noting he is coordinating with the County.

Mr. Burke updated the Board regarding three overflow swales to Dry Creek that serve Coles Crossing, Sections 24 and 25, noting the project is complete. He stated he has reached out to the Coles Crossing Community Association, Inc. (the "HOA") regarding removal of the fence on Allemond, noting he has not received a response from the HOA.

Mr. Burke updated the Board regarding the pending installation of the electronic water metering system ("smart meter project"), noting that Burke requested the contractor prioritize the installation of smart meters for Board members and he is seeking further details regarding the overall installation schedule.

Mr. Burke reviewed the draft CIP, a copy of which is attached to the engineer's report.

Mr. Burke updated the Board regarding the upcoming Cypress Creek erosion repair project to be undertaken by Harris County, noting construction has not begun.

Mr. Burke updated the Board regarding preparation of appropriate ownership documentation for conveyance of the lift station no. 2 site to the District.

Director Cronin inquired about the clearing of vegetation and desilting of a drainage channel in the District. Mr. Burke stated the vegetation at the bottom of the drainage channel does not significantly impact the conveyance of water in the drainage channel.

Mr. Burke updated the Board regarding the sanitary sewer evaluation and rehabilitation project performed by MUD 364. He then reported on repairs needed in three locations within the sanitary sewer line. Mr. Mayfield recommended the Board authorize Si to repair three locations in the sanitary sewer line, in the amount of \$5,500 to \$6,500 per location. Discussion ensued. Following discussion, Director Moore moved to authorize Si to make the three repairs to the sanitary sewer line, as discussed, at a total cost not to exceed \$20,000.00. Director Coleman seconded the motion, which passed by unanimous vote.

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

Director Cropper left the meeting.

#### COMMUNICATION MATTERS

Mr. Willett presented and reviewed a proposal for public outreach regarding roll-out of the smart meter project, in the estimated amounts of \$740 to \$1,010 for website content, and \$2,850 for smart meter video content, a copy of which is attached. The Board then reviewed additional optional services provided by Touchstone and the associated costs.

Ms. Castro presented and reviewed a proposal for text and email alerts, in the amount of \$50 per month for 500 subscribers for e-mail alerts, and \$50 per month for 500 subscribers for text alerts, a copy of which is attached. Following review and discussion, the Board took no action.

Following review and discussion, Director Moore moved to (1) approve Touchstone's proposal for smart meter public outreach consisting of website content and video content and to defer action on the additional optional services; and (2) approve the related consulting engagement agreement, subject to ABHR review. Director Crafton seconded the motion, which passed by unanimous vote. Director Moore requested that Touchstone send proposed public outreach materials to the Communications Committee for review and final approval.

Ms. Harrington presented the Board with a letter to Cypress-Fairbanks Independent School District (“CFISD”), prepared by ABHR and MUD 364’s attorney, addressing parents’ concerns regarding the transportation matters, including the request for a joint sidewalk construction project between the District, MUD 364, and CFISD. Discussion ensued. Following discussion, Director Crafton moved to approve the letter to CFISD, as revised. Director Cronin seconded the motion, which passed by unanimous vote.

WATER CONSERVATION AND DRAINAGE MATTERS

Ms. Harrington updated the Board regarding the proposed Coles Crossing Stormwater Detention and Water Quality Improvement Project.

UPDATE ON SAMPSON ELEMENTARY SCHOOL PLAYGROUND IMPROVEMENTS

The Board discussed the pending installation of the playground equipment at Sampson Elementary School.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on September 9, 2024, at 6:00 p.m., at the Coles Crossing Community Center and the next regular meeting the week of September 23, 2024, at the offices of ABHR, subject to Director availability.

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



  
Secretary, Board of Directors

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