

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 17, 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 17th day of October, 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"); Robin Goin of Bob Leared Interests, Inc. ("Leared"); Chris Burke of Burke Engineering, LLC ("Burke"); Lisha Luper of Storm Water Solutions, LLC ("SWS"); Kristi Miller of The Goodman Corporation ("Goodman"); Daenon Russell of Touchstone District Servies ("Touchstone"); Michael Murr of Murr, Incorporated ("Murr, Inc."); and Adisa Harrington, Audrey Briscoe and Connie Rossi of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending via audioconference was Mary Jarmon of Myrtle Cruz, Inc. ("MCI").

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. Director Cronin 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 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.

WATER CONSERVATION AND DRAINAGE MATTERS

Ms. Miller reviewed a proposal from Goodman in the amount of \$110,000 for grant management services associated with grant funds awarded to the District from the Environmental Protection Agency's State and Tribal Assistance Grant program ("STAG"), a copy of which is attached. Discussion ensued.

Following review and discussion, Director Moore moved to approve the proposal from Goodman and the related Master Services Agreement. Director Crafton seconded the motion, which passed by unanimous vote.

DISCUSS ACCLAIM MICROGRID PROGRAM, REVIEW RELATED ENERGY MANAGEMENT AGREEMENT, AND AUTHORIZE APPROPRIATE ACTION

The Board discussed the proposed Utility Scale Microgrid Pilot Program (the "Microgrid Pilot Program"). Following discussion, the Board concurred to defer action on this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

There were no per diem requests.

The Board considered amending the budget for the fiscal year ending August 31, 2025. Discussion ensued. Following discussion, the Board concurred to (1) defer action on this agenda item; and (2) hold a budget workshop November 11, 2024, at 4:00 p.m., at the Coles Crossing Community Center. The Board requested ABHR to provide a list of proposed budget amendments to MCI, consisting of expenses discussed at recent Board meetings.

ADDITIONAL OPERATING MATTERS

Mr. Mayfield updated the Board regarding District operating matters. Discussion ensued.

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

Mr. Burke and Mr. Mayfield updated the Board on the District's lead and copper service line inventory (the "Lead & Copper Inventory"). Discussion ensued and the Board concurred to post the following notice to the public as part of these minutes:

Harris County Municipal Utility District No. 365 has completed the Lead & Copper Inventory as required by the EPA. Through records research and field investigation of the distribution system, it has been determined that the system

has no lead service lines or galvanized requiring replacement service lines. If you would like a copy of the Lead & Copper Inventory, please submit your request to har365@txdistricts.info.

Following review and discussion, Director Moore moved to approve the District's Lead & Copper Inventory, make a copy of the Inventory available by request submitted to har365@txdistricts.info and post notice of the availability of the inventory in these minutes, as stated above. 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. 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 Cronin seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Goin updated the Board on 2023 tax collections.

Ms. Goin stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.37. 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 2024 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 2024 tax rate of \$0.37 per \$100 of assessed valuation, comprised of \$0.0175 to pay debt service on water, sewer, and drainage bonds, and \$0.3525 for operations and maintenance; (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 Cropper seconded the motion, which passed by unanimous vote.

UPDATE ON HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 ("MUD 364") TRAIL MODIFICATIONS PROJECT

The Board discussed the MUD 364 trail modifications project.

RECREATIONAL AND LANDSCAPE FACILITIES

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, noting pruning activities at the wastewater treatment plant and water plant no. 3 have been completed. He stated a fence at the water plant located on Telge Road requires maintenance or replacement, noting Murr, Inc. will investigate the issue further.

Mr. Murr reported the installation of the public bike workstation near the entrance of the Coles Crossing asphalt trail, performed by an Eagle Scout, is complete. Discussion ensued regarding the installation and maintenance of future Scout projects throughout the District. The Board concurred for Director Moore and Mr. Murr to prepare a form that can be used to track future Scout projects.

Mr. Murr reported on the access gate to the soccer field, recommending that the Board explore alternative lock options. Discussion ensued. Following this discussion, the Board requested that the Parks Committee review options and provide recommendations for gate access.

Mr. Murr updated the Board on a site visit conducted with Directors Cronin and Crafton to identify locations for the upcoming tree planting.

Mr. Murr updated the Board regarding repairs performed on the fence along Jarvis Road, noting that gate repairs and painting are pending.

Mr. Murr updated the Board regarding debris removal at the West Pond, noting removal of debris and dead trees is complete.

The Board discussed leaking water fountains located along the trail. Following discussion, the Board requested Murr, Inc. to investigate the performance of all water fountains along the trail.

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 (the "NHCRWA").

Mr. Burke updated the Board regarding the upcoming construction of surface water conversion lines for Project 37J, to be undertaken by the NHCRWA. He noted the NHCRWA requested a Letter of No Objection. Mr. Burke recommended the Board authorize Burke to issue a Letter of No Objection to the NHCRWA, on the District's behalf. Discussion ensued.

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

The Board discussed the privately owned land that includes 9.95-acres along Jarvis Road, between the detention pond and Cypress Kids. It was noted that the owner is interested in selling approximately five acres to the District for park development. Discussion ensued. Following discussion, the Board designated Director Crafton to engage with the property owner regarding the potential sale of the land.

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 he has sent a letter to Harris County, Precinct 3 requesting approval of the proposed drainage improvements project.

Mr. Burke updated the Board regarding three overflow swales to Dry Creek that serve Coles Crossing, Sections 24 and 25. He stated the Coles Crossing Community Association, Inc. will remove the fence on Allemond.

Mr. Burke reported on erosion of a backslope interceptor, noting KKS Environmental, LLC is preparing a proposal for the erosion repair of the backslope interceptor, for Board consideration at the next meeting.

Mr. Burke updated the Board regarding the installation of the electronic water metering system ("smart meters") and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$187,818.30, payable to Accurate Utility Supply, LLC ("Accurate"). Discussion ensued regarding the timeline for customers gaining access to their water usage data through the smart meter software.

Mr. Burke updated the Board regarding the upcoming Cypress Creek erosion repair project to be undertaken by Harris County.

Mr. Burke and Ms. Harrington updated the Board regarding preparation of documentation for conveyance of the lift station no. 2 site to the District.

Mr. Burke discussed the quarterly inspection and maintenance of the District's drainage channels and detention facilities, including facilities that are shared with MUD 364. The Board reviewed a proposal from SWS in the amount of \$27,000.00, for repairing a backslope interceptor. A copy of the proposal is attached. Discussion ensued regarding anticipated maintenance costs for drainage and detention facilities.

Following review and discussion, and based on the engineer's recommendation, Director Moore moved to (1) approve the engineer's report; (2) authorize Burke to issue a Letter of No Objection to the NHCRWA, as discussed; (3) approve Pay Estimate No. 1, in the amount of \$187,818.30, payable to Accurate Meter & Supply for the smart meter project; and (4) approve SWS's proposal, in the amount of \$27,000.00, to repair the backslope interceptor. Director Cropper seconded the motion, which passed by unanimous vote.

Ms. Lupher presented and reviewed the storm water management program report, a copy of which is attached.

Ms. Lupher reported on damage to an outfall pipe located in the Dry Creek detention pond. Discussion ensued regarding repairs needed to the District's drainage and detention ponds. Following discussion, the Board requested that SWS coordinate with Burke to identify urgent repairs and present a repair proposal for Board consideration at the next regular Board meeting.

Mr. Lupher reported on backslope interceptors located in the joint facilities shared by the District and MUD 364.

UPDATE ON SAMPSON ELEMENTARY SCHOOL PLAYGROUND IMPROVEMENTS

The Board discussed the Sampson Elementary playground improvements project.

COMMUNICATION MATTERS

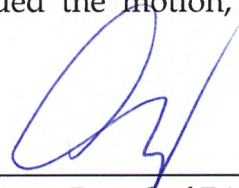
Ms. Russell presented and reviewed a communications meeting report prepared by Touchstone, a copy of which is attached.

Director Cronin discussed outreach to participants in the smart meter pilot project.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on November 11, 2024, at 6:00 p.m., at the Coles Crossing Community Center and the next regular meeting on November 21, 2024, at the offices of ABHR.

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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