

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 19, 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 19th day of December, 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"); Lisha Luper of Storm Water Solutions, LLC ("SWS"); Bridget Elmore of The Goodman Corporation ("Goodman"); Michael Murr of Murr, Incorporated ("Murr, Inc."); Greg Lentz of Masterson Advisors, LLC; Sherri Greenwood of Forvis, LLP ("Forvis"); Linda Castro of Off Cinco; Dominic Cashiola of Classic Messaging, LLC ("Classic Messaging"); and Adisa Harrington, Connie Rossi, and Caroline Jones 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 Cropper moved to approve all items on the consent agenda, including the minutes from the November 21, 2024 regular meeting. 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 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.

AUDIT FOR FISCAL YEAR END AUGUST 31, 2024

Ms. Greenwood reviewed the District's draft audit and management letter for fiscal year end August 31, 2024. Discussion ensued. Following review and discussion, Director Moore moved to approve the audit for fiscal year end August 31, 2024, subject to final review by the District's consultants, and direct that it be filed appropriately and retained in the District's official records. Director Cropper seconded the motion, which passed by unanimous vote.

COMMUNICATION MATTERS

Ms. Castro presented and reviewed a proposal for text and email alerts, a copy of which is attached. She discussed opt-in and opt-out text messaging and email alert options for emergency notifications.

Mr. Cashiola presented and reviewed a Member Database Report, a copy of which is attached. He discussed Classic Messaging's services and fees for emergency and non-emergency notifications and the contact database, including the member database and opt-in response reports. Mr. Cashiola then answered questions regarding Classic Messaging's opt-in text messaging and telecommunication service options for emergency notifications.

WATER CONSERVATION AND DRAINAGE MATTERS

Ms. Elmore updated the Board regarding grant management services associated with grant funds awarded to the District from the Environmental Protection Agency (the "EPA") resources through the State and Tribal Assistance Grant program ("STAG"), to be performed by Goodman.

Mr. Burke reviewed the updated design and cost estimate of the Coles Crossing Stormwater Detention and Water Quality Improvement Project (the "Detention Basin Project"), a copy of which is attached to the engineer's report. Discussion ensued.

Mr. Lentz reviewed a Surplus General Operating Fund Analysis, a copy of which is attached. Discussion ensued regarding projects for inclusion in the upcoming bond sale, and the Board concurred to proceed with a bond sale for the smart meter project and to not sell bonds for the Detention Basin Project at this time.

Following discussion, the Board requested Burke to present a proposal at the January 16 regular meeting for preparation of a survey and preliminary design for the Detention Basin Project.

ADDITIONAL BOOKKEEPING MATTERS

The Board discussed the District's Travel Reimbursement Guidelines and the Association of Water Board Directors ("AWBD") winter conference in Austin scheduled for January 24-25, 2025. Following review and discussion, Director Moore moved to authorize the directors attending the AWBD winter conference to receive up to three per diems, two hotel nights, and reimbursement for reasonable meals during the conference, all to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Cronin seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. Mayfield updated the Board regarding District operating matters.

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

Mr. Mayfield requested authorization to send three uncollectable accounts totaling \$207.34 to a collection agency.

Mr. Mayfield distributed and reviewed photographs of damage to a curb in front of a residence, copies of which are attached. Discussion ensued, and Mr. Mayfield requested authorization for Si to repair the curb.

Following review and discussion, Director Cropper moved to (1) authorize Si to send three uncollectable accounts totaling \$207.34 to a collection agency; and (2) authorize Si to repair the curb, as discussed. Director Moore seconded the motion, which passed by unanimous vote.

There was no discussion regarding fire hydrant inspection and repair matters.

Ms. Harrington reviewed proposed updates to the District's Drought Contingency Plan ("DCP"), noting that the Board previously approved amending the DCP subject to finalization. She added that the proposed updates to the District's DCP consist of revisions recommended by Harris County Municipal Utility District No. 364 ("MUD 364") to provide consistency between the DCPs for both Districts. Discussion ensued. Following discussion, Director Cronin moved to adopt an Amended and Restated Drought Contingency Plan containing the proposed updates, and authorize submittal of the DCP to the appropriate entities. Director Moore 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 Crafton seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Newman updated the Board on 2024 tax collections.

UPDATE ON HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364 TRAIL MODIFICATIONS PROJECT

The Board discussed the MUD 364 trail modifications project.

Mr. Burke reported that he is coordinating with the MUD 364 engineer regarding the pending televising of outfalls under the MUD 364 trail.

RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr presented and reviewed bids that were received for maintenance of the property previously maintained by the Coles Crossing Community Association, Inc. (the "HOA"). A copy of the bid sheet is attached. He recommended that the Board approve the proposal submitted by Silver Sands, in the amount of \$61,532.54. Discussion ensued.

The Board considered approving a Service Agreement between the District and Silver Sands for the maintenance services reflected in Silver Sand's proposal.

The Board then considered designating Directors Moore and Crafton to coordinate with Silver Sands and Murr, Inc. regarding maintenance services for District property.

Following discussion, Director Crafton moved to (1) approve the proposal, submitted by Silver Sands, in the amount of \$61,532.54; (2) approve the Service Agreement between the District and Silver Sands, subject to finalization; and (3)

designate Directors Moore and Crafton to coordinate with Silver Sands and Murr, Inc. regarding maintenance services for District property. Director Moore seconded the motion, which passed by unanimous vote.

Mr. Murr updated the Board regarding the Trees for Houston tree planting project. Mr. Murr recommended the Board authorize Murr, Inc. to plant 100 trees, in the amount of \$45.00 per tree. Following discussion, Director Moore moved to authorize Murr, Inc. to plant 100 trees, provided to the District by Trees for Houston, in the amount of \$45.00 per tree, for a total cost of \$4,500. Director Crafton seconded the motion, which passed by unanimous vote

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.

Mr. Burke updated the Board regarding the installation of smart meters and reviewed and recommended approval of Pay Estimate No. 3 in the amount of \$137,065.50, payable to Accurate Utility Supply, LLC ("Accurate").

Mr. Burke updated the Board regarding the joint channel and drainage repairs project, performed by Rally Construction, Inc.

Mr. Burke updated the Board regarding the proposed drainage improvements project in The Park of Arbordale, noting the engineer for Harris County, Precinct 3 (the "Precinct") stated the Precinct will participate in the project and Burke sent a follow-up letter requesting Precinct approval of the proposed drainage improvements project.

Mr. Burke updated the Board regarding the backslope outfall replacement near The Park of Arbordale, performed by SWS.

Mr. Burke updated the Board regarding the backslope outfalls inspections, to be performed by SWS.

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

Mr. Burke updated the Board regarding the approved documentation for conveyance of the lift station no. 2 site to the District. Ms. Harrington recommended the Board authorize Property Acquisition Services, LLC ("PAS") to provide land acquisition services for the lift station no. 2 site.

Director Crafton left the meeting.

Mr. Burke updated the Board regarding the utility service request from Dundee Court for a medical office building. The Board considered accepting a 600-square-foot acres sanitary sewer easement (the "Easement") to be granted to the District by Dundee Court Holdings for laying, construction, installation, maintenance, repair, relocation, replacement, removal, modification and operation of sanitary sewer lines and all related connections and appurtenances, subject to finalization and execution of the Easement.

Following review and discussion, and based on the engineer's recommendation, Director Moore moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 3, in the amount of \$137,065.50, payable to Accurate for the smart meter project; (3) authorize PAS to provide land acquisition services for the lift station no. 2 site, pursuant to the District's Service Agreement with PAS; and (4) accept the Easement, subject to finalization and execution. Director Cropper seconded the motion, which passed by unanimous vote.

MAINTENANCE AND REPAIRS TO DISTRICT AND JOINT DRAINAGE AND DETENTION FACILITIES

Ms. Lupher presented and reviewed SWS's monthly storm water management program report, a copy of which is attached.

Director Crafton rejoined the meeting.

Ms. Lupher then presented and reviewed an outfall survey report for the District and MUD 364, a copy of which is attached. Discussion ensued. Ms. Lupher stated SWS will coordinate with Burke and make recommendations to the Board regarding necessary outfall maintenance and repairs.

REVIEW PROJECTS FOR INCLUSION IN THE UPCOMING BOND SALE AND TAKE APPROPRIATE ACTION

This matter was discussed under water conservation and drainage matters.

COMMUNICATION MATTERS (CONTINUED)

The Board concurred to extend the District's contract with Classic Messaging and requested that a representative from Classic Messaging attend the upcoming special meeting to discuss the District's messaging services.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Harrington reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Section 2206.154, Texas Government Code.

MEETING SCHEDULE

The Board concurred to hold the next special meeting on January 6, 2025, at 5:00 p.m., at the Coles Crossing Community Center and the next regular meeting on January 16, 2025, at the offices of ABHR.

It was noted that the next quarterly joint special meeting with MUD 364 is scheduled for January 22, 2025 at 6:00 p.m.

There being no further business, the Board concurred to adjourn the meeting.




Secretary, Board of Directors

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