

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 20, 2025

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 20th day of February, 2025, 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"); Michael Murr of Murr, Incorporated ("Murr, Inc."); Greg Lentz and Austin Ficken of Masterson Advisors, LLC; and Katie Sherborne and Maricela Guerrero 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 Coleman moved to approve all items on the consent agenda, including the minutes from the January 16, 2025, regular meeting and the minutes from the January 30, 2025, joint special 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.

UNLIMITED TAX BONDS, SERIES 2025

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S \$975,000 UNLIMITED TAX BONDS, SERIES 2025

Mr. Ficken stated that the Board received five bids for the District's \$975,000 Unlimited Tax Bonds, Series 2025 (the "Series 2025 Bonds"). Mr. Ficken reviewed a bid summary, a copy of which is attached. The Board considered awarding the sale of the Series 2025 Bonds. Mr. Ficken stated he verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate submitted by Raymond James & Associates, Inc.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$975,000 UNLIMITED TAX BONDS, SERIES 2025

The Board considered adopting a Resolution Authorizing the Issuance of the District's Series 2025 Bonds (the "Resolution").

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of a Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. ("BONY").

APPROVE OFFICIAL STATEMENT

The Board next considered approving the Official Statement for the Series 2025 Bonds. Mr. Ficken explained that the Preliminary Official Statement will be updated to include information regarding the bond sale.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Sherborne presented and reviewed the Certificate Regarding Provision of Financial Advice reflecting that ABHR has not provided financial advice to the Board concerning the issuance of the Series 2025 Bonds and that the Board has relied on the Financial Advisor for financial advice.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Ms. Sherborne next explained that there will be various documents related to delivery of the Series 2025 Bonds requiring execution by the directors prior to closing. She requested authorization for the Board of Directors to execute

documents necessary in connection with the transaction and authorization for the District's attorney and financial advisor to take all necessary action to deliver the Series 2025 Bonds to the purchaser.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered authorizing payment to the Attorney General of the State of Texas (the "Attorney General") of \$975.00 relating to the transcript review for the Series 2025 Bonds.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Sherborne stated that the Texas Water Code requires the District to file an Amendment to Information Form with Harris County and the Texas Commission on Environmental Quality ("TCEQ") in order to reflect the bonds issued by the District. She then reviewed the Amendment to Information Form with the Board.

Following review and discussion, Director Crafton moved to: (1) award the sale of the Series 2025 Bonds to Raymond James & Associates, Inc. with a net effective interest rate of 3.554178%; (2) adopt the Resolution; (3) approve the Paying Agent/Registrar Agreement; (4) approve the Official Statement; (5) authorize execution of the Certificate Regarding Provision of Financial Advice; (6) authorize the Board to sign all documents related to the sale and delivery of the Series 2025 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2025 Bonds; (7) approve payment to the Attorney General relating to the transcript review for the Series 2025 Bonds; and (8) authorize execution of the Amendment to Information Form and direct that it be filed with the TCEQ and the official property records of the Harris County Clerk. Director Moore seconded the motion, which passed by unanimous vote.

COLES CROSSING STORMWATER DETENTION AND WATER QUALITY IMPROVEMENT PROJECT (THE "DETENTION BASIN PROJECT")

Mr. Burke updated the Board regarding the Detention Basin Project, including possible challenges if the project falls within the Flood Control District's design criteria.

The Board inquired about the engineering scope and requested that Mr. Burke coordinate with Vogler & Spencer Engineering, Inc. ("V&S") and determine whether V&S is willing to work with Burke on this project.

ADDITIONAL BOOKKEEPING MATTERS

The Board discussed the Association of Water Board Directors (“AWBD”) winter conference. The Board then considered authorizing attendance at the summer conference.

Following discussion, Director Cropper moved to approve reimbursement of all eligible expenses for Directors who attended the AWBD winter conference, which the bookkeeper confirmed were submitted in accordance with the District’s Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the summer conference. Director Moore seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. Mayfield updated the Board regarding District operating matters.

Mr. Mayfield reviewed a request from the Homeowner’s Association (the “HOA”) for a bill adjustment due to filling the main pool. The Board noted the pool serves the entire community. Following discussion, Director Cropper moved to approve a billing adjustment to invoice the HOA the base rate, the lowest tiered fee, and applicable North Harris County Regional Water Authority fees for the water usage due to filling the main pool. Director Moore seconded the motion, which passed by unanimous vote.

Mr. Mayfield updated the Board regarding customer participation in the Eye-on-Water smart meter app. The Board concurred for the Communications Committee to include a post regarding same on the District website.

Mr. Mayfield updated the Board regarding repainting certain fire hydrants, noting he will provide proposals at a future meeting. Following discussion, the Board requested Si update the Capital Improvement Plan to include annual repainting of all District fire hydrants.

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

The Board reviewed a draft Resolution Adopting Policy and Procedures for Leak Adjustment Credits. The Board discussed the proposed leak adjustment credit policy. Following review and discussion, Director Cropper moved to adopt the Resolution Adopting Policy and Procedures for Leak Adjustment Credits and direct that the Resolution be filed appropriately and retained in the District’s official records. Director Cronin 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. Newman updated the Board on 2024 tax collections.

The Board then reviewed the delinquent tax report prepared by Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached.

The Board discussed exemption options for residents who are disabled or 65 years of age or older as well as a general homestead tax exemption. After discussion, the Board concurred to have the District's financial advisor provide an analysis of exemption options at the next regular Board meeting.

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

The Board discussed the MUD 364 trail modifications project. Mr. Burke reported that Phase II of the project is underway and that Phase III should be complete in May, 2025.

RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr presented and reviewed a landscape management report, a copy of which is attached.

Mr. Murr updated the Board regarding the Silversand Services ("Silversand") agreement for maintenance of District property previously maintained by the HOA, noting Silversand will begin maintenance on March 1, 2025.

Mr. Murr updated the Board regarding the Trees for Houston tree planting project.

Mr. Murr reported on a dead tree near the volleyball court. Following discussion, the Board requested Mr. Murr notify the HOA of same.

Director Crafton reported on dead trees between Jarvis Road and the paved trail in the District. Following discussion, the Board requested Mr. Murr inspect the area to identify trees that need maintenance.

Mr. Murr updated the Board on a request from Malik Johnson to reserve the District's field for the purpose of rugby practices, noting ABHR informed Mr. Johnson that the Board declined the request because the District does not reserve the field for exclusive use.

Mr. Murr reported the District splashpad will open in the middle of March.

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 water plant exterior coating project. Discussion ensued regarding the project start date. Following discussion, the Board requested Mr. Burke communicate with contractors to determine whether the project can be completed before commencement of the NHCRWA projects.

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

Mr. Burke updated the Board regarding the installation of smart meters and reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$42,262.10, including a reduction of retainage to 5%, payable to Accurate Utility Supply, LLC ("Accurate").

Mr. Burke updated the Board regarding the proposed drainage improvements project in The Park of Arbordale/Twisting Ivy Relief Sewer.

Mr. Burke updated the Board regarding the backslope outfall video inspections.

Mr. Burke updated the Board regarding the joint facility map.

Mr. Burke discussed a call from a developer regarding detention volume and outfall to the channel in connection with development of an out-of-district tract on Jarvis Road.

Mr. Burke updated the Board regarding the construction status of the Cypress Creek erosion repair project.

Mr. Burke updated the Board regarding the right-of-way acquisition for lift station no. 2.

Mr. Burke updated the Board regarding the channel footbridge project.

Mr. Burke updated the Board regarding the Wastewater Treatment Plant Expansion to 0.97 MGD, noting the Coles Crossing Joint Facilities Agreement has not been amended to reflect the expansion.

Following review and discussion, and based on the engineer's recommendation, Director Moore moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 4, in the amount of \$42,262.10, including a reduction of retainage to 5%, payable to Accurate for the smart meter project. Director Cropper seconded the motion, which passed by unanimous vote.

MAINTENANCE AND REPAIRS TO DISTRICT AND JOINT DRAINAGE AND DETENTION FACILITIES

The Board reviewed Storm Water Solution's monthly storm water management program report, a copy of which is attached.

COMMUNICATION MATTERS, INCLUDING REPORT FROM COMMUNICATIONS COMMITTEE AND UPDATES TO DISTRICT WEBSITE

Director Moore updated the Board regarding communication matters.

ADDITIONAL OPERATING MATTERS (CONTINUED)

Director Cronin recommended approval of a \$5.00 rebate to residents that sign up for the Eye-on-Water smart meter app by June 30, 2025. Discussion ensued regarding adding a message to the District water bill regarding same. Following review and discussion, Director Moore moved to (1) approve a \$5.00 rebate to residents that sign up for the Eye-on-Water smart meter app by June 30, 2025; and (2) approve the bill message. Director Cropper seconded the motion, which passed by unanimous vote.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

MEETING SCHEDULE

The Board concurred to hold the March special meeting on March 3, 2025, at 5:00 p.m., at the Coles Crossing Community Center and the March regular meeting on March 20, 2025, at 12:00 p.m., at the offices of ABHR.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board convened in executive session at 1:35 p.m., pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Ms. Sherborne and Ms. Guerrero were also present.

Director Cropper left the meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board reconvened in open session at 2:09 p.m. No action was taken by the Board.

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





Secretary, Board of Directors

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