

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 20, 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 20th day of June, 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 Angela Small, a resident of the District; 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").

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.

PUBLIC COMMENT

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

Ms. Small addressed the Board and requested that a videoconference option be provided for Board meetings.

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

ADDITIONAL BOOKKEEPING MATTERS

Director Colman addressed the Board regarding the Association of Water Board Directors ("AWBD") summer conference. Discussion ensued regarding cyber security and check fraud incidents in the industry. Following discussion, Ms. Harrington stated she will research cyber security training options for Directors.

There were no additional per diem requests.

Ms. Garcia presented check no. 1814 in the amount of \$77,875.00, payable to Cypress Fairbanks Independent School District ("CFISD"), for the District's donation to Sampson Elementary School for playground equipment (the "Additional Check"). Following review and discussion, Director Moore moved to approve the Additional Check. Director Cronin seconded the motion, which passed by unanimous vote.

The Board concurred to defer authorization to submit the Joint Facilities budget to MUD 364.

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference. Following discussion, Director Cropper moved to approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the winter conference. Director Crafton seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a renewal proposal from McDonald and Wessendorff Insurance ("McDonald") for the District's insurance policies. Discussion ensued. Following discussion, the Board concurred to (1) defer action on this agenda item; and (2) directed ABHR to request proposals from Brown & Brown Lone Star Insurance Agency and Arthur J. Gallagher & Co. and a revised proposal from McDonald to include cybersecurity and (if available) check fraud insurance coverage for Board consideration at the next regular meeting.

ADDITIONAL OPERATING MATTERS

Mr. Mayfield updated the Board regarding District operating matters.

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

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

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 reported the District's preliminary value for 2024 is \$686,109,361 which is a 2.83% increase from the 2023 preliminary values.

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon") to proceed with the collection of delinquent 2024 taxes. Following review and discussion, Director Cropper moved to authorize Perdue Brandon to proceed with the delinquent tax collection. Director Moore seconded the motion, which passed by unanimous vote.

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

Ms. Bradley addressed the Board regarding the MUD 364 trail modifications project and requested the Board consider approving the proposed Maintenance and Access Agreement between the District and MUD 364.

Discussion ensued regarding the existing asphalt on the District's portion of the trail and proposed concrete for MUD 364's portion of the trail. Following discussion, Director Crafton moved to approve the Maintenance and Access Agreement, subject to including a requirement that the MUD 364 trail improvements located in the District's existing easement match the existing asphalt surface on the remainder of the trail.

Director Moore seconded the motion. Directors Crafton and Moore voted in favor of the motion, Directors Coleman and Cropper voted against, Director Cronin abstained, and the motion failed.

RECREATIONAL AND LANDSCAPE MATTERS

There was no discussion on this agenda item.

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"). Discussion ensued.

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 met with NHCRWA to discuss the plans for the proposed facilities and will provide comments.

Mr. Burke discussed a utility service request received by the resident at 13907 Panola Pointe for the installation of a swimming pool, noting Burke reviewed the application. Mr. Burke recommended the Board consider charging a fee to residents seeking review and inspection of proposed swimming pools. Ms. Harrington stated she will review the District's Rate Order regarding utility service requests for the installation of private swimming pools.

Mr. Burke updated the Board regarding the proposed drainage improvements project in The Park of Arbordale, noting he met with impacted residents to discuss the proposed project. 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 will coordinate with the County. Discussion ensued.

Mr. Burke updated the Board regarding three overflow swales to Dry Creek that serve Coles Crossing, Sections 24 and 25. He presented, reviewed and recommended

approval of a proposal, in the amount of \$12,940.00, for clearing the tract downstream of the overflow swales and removing dumped materials, removing additional trees and shrubs in the overflow swales, and removing a broken limb hanging over one of the swales, plus an additional \$3,000.00 for grading the overflow swales to improve drainage. Mr. Burke then recommended the Board consider approving the removal of bottom of the fence on Allemond in the estimated amount of \$1,500.00 to \$2,500.00, noting the fence was installed by the Coles Crossing Community Association, Inc. (the "HOA"). Discussion ensued. Following discussion, the Board deferred action on the fence removal and requested Burke to coordinate with the HOA regarding same.

Mr. Burke updated the Board regarding the pending installation of the electronic water metering system ("smart meter project"). He noted that Accurate Meter Supply estimates the cost to install two interconnect meters would be \$15,000.00 per meter. Discussion ensued, and the Board concurred not to replace the existing interconnect meters.

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

Mr. Burke updated the Board regarding a draft map of shared facilities between the District and the Coles Crossing Community Association, Inc.

Mr. Burke stated the site for lift station no. 2 remains under developer ownership. He requested the Board authorize Burke to coordinate with ABHR to prepare appropriate ownership documentation for the conveyance of the lift station no. 2 site to the District. Mr. Burke presented and reviewed a proposal, in the amount of \$1,800.00, for boundary verification and preparation of a metes and bounds description.

Director Moore requested the Board consider authorizing Burke to coordinate with Murr, Inc. to prepare a scope and estimate of cost for the proposed construction of a sidewalk along Jarvis Road requested by Cy-Fair Independent School District ("CFISD") for transportation services.

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 Moore moved to (1) approve the engineer's report; (2) approve the proposal in the amount of \$12,940.00 for clearing the downstream tract of the overflow swales and removing dumped materials, removing additional trees and shrubs in the overflow swales, and removing a broken limb hanging over one of the swales, plus an additional \$3,000.00 for grading the overflow swales to improve drainage; (3) approve the proposal in the amount of \$1,800.00, for boundary

verification and preparation of a metes and bounds description; and (4) authorize Burke to coordinate with Murr, Inc. to prepare a scope and estimate of cost for the proposed construction of a sidewalk along Jarvis Road requested by CFISD for transportation services. 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

There was no discussion on this agenda item.

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 CFISD and MUD 364, noting payment has been approved by the Board and will be submitted to CFISD upon receipt of the fully executed Interlocal Agreement.

REVIEW DISTRICT COMMITTEE ASSIGNMENTS AND TAKE APPROPRIATE ACTION

The Board considered District committee assignments for the Security Committee, Recycle Committee, Communications Committee, and Parks Committee. Discussion ensued. Following discussion, the Board designated Director Cropper to serve as the Board's Security and Recycling Liaison, Directors Crafton and Cronin to serve on the Parks Committee, and Directors Coleman and Moore to serve as the Board representatives for homeowners association matters.

Director Moore stated that she will be out of town and requested a Director to handle incoming District correspondence in her absence. Director Cropper confirmed that she will undertake this responsibility while Director Moore is away.

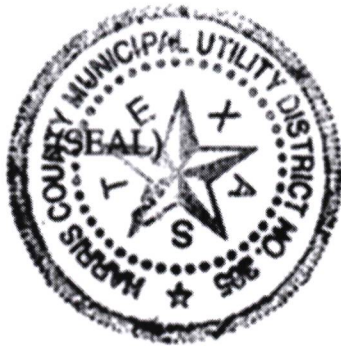
The Board deferred action on designating a second member of the Communications Committee or designating a Drainage Liaison.


MEETING SCHEDULE

The Board concurred to hold the next special meeting on July 8, 2024, at 6:00 p.m., at the Coles Crossing Community Center and the next regular meeting on July 18, 2024, at 12:00 p.m., at the offices of ABHR.

It was noted that the next quarterly joint special meeting with MUD 364 is scheduled for July 24, 2024.

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




Secretary, Board of Directors

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