

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 23, 2017

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 23<sup>rd</sup> day of February, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Joe Myers	President
Megan Bradley	Vice President
Alan Silverman	Secretary
Jeff McClellan	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present except Directors Bland and McClellan, thus constituting a quorum.

Also present at the meeting were Odette McMullen of Bob Leared Interests, Inc.; Mary Lutz and Jorge Diaz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Michael Murr of Murr, Inc.; Sergeant Charles Nagel of Harris County Sherriff's Department; and Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Director Bradley then moved to approve all items on the consent agenda. Director Silverman seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

Sergeant Nagel discussed District security patrol with the Board.

ADDITIONAL BOOKKEEPING MATTERS

The Board discussed the Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Bradley moved to approve the reimbursement of eligible expenses to the directors who attended the winter conference and authorize any interested director to attend the AWBD summer conference. Director Silverman seconded the motion, which carried unanimously.

The Board then reviewed the District's Investment Policy, adopted February 16, 2012, to determine if any amendments were necessary. After discussion, the Board determined no amendment was necessary. Upon a motion made by Director Silverman, seconded by Director Bradley, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy.

The Board reviewed the District's list of qualified broker/dealers and authorized depository institutions. Upon a motion by Director Silverman and a second by Director Bradley, the Board voted unanimously to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board considered adopting a Resolution Concerning Exemptions from Taxation ("Resolution"), which provides for the exemption from ad valorem taxation of \$20,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older, but rejects a general homestead exemption as well as any exemption for travel trailers. Upon a motion made by Director Silverman and seconded by Director Bradley, the Board voted unanimously to adopt the Resolution as described.

#### ADDITIONAL OPERATING MATTERS

Upon a motion by Director Bradley and a second by Director Silverman, the Board voted unanimously to authorize a District meter for irrigation of the landscaping at the lift station on Barker Cypress.

#### 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. Bare reported that the persons on the termination list 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. Director Bradley moved that, since the customers on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the District's Rate Order. Director Silverman seconded the motion, which carried unanimously.

## REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr first discussed the status of design of the proposed dog park and said he included some filtration systems for the pond.

Mr. Murr said landscaping improvements at the lift station are in progress. He said a concrete block was uncovered while moving the fence and estimates \$300 to remove the concrete block. Following review and discussion, Director Silverman moved to authorize a change order for removal of the concrete block. The motion was seconded by Director Bradley and passed unanimously.

Mr. Murr next discussed reported that he met with a splash system distributor representative regarding splash pad site dimensions and design. Mr. Murr said the system will also require a 1 ½ inch water line and 100v power. Mr. Murr said he would have a design layout by the next special meeting and that current plans will keep the project at or below \$50,000.

The Board also concurred to place temporary signs on trails to acknowledge donation of newly planted trees by Trees of Houston and discussed location options for a privately funded memorial for and by a District resident. A copy of the landscaping report is attached.

## ADDITIONAL ENGINEERING MATTERS

Mr. Miller provided an updated regarding the installation of District flow meters and Ms. Holoubek discussed the status of requesting an additional deposit from Harris County Municipal Utility District No. 364 ("No. 364") for engineering design fees associated with proposed expansion of the water plant and delivery of preliminary project schedules to No. 364. Following review and discussion, the Board concurred to request from No. 364 an additional \$20,000 deposit and to release the preliminary project schedule.

Mr. Miller said he is working with Director McClellan to identify a proposed service area and transmission system size for a proposed water reuse system.

Mr. Miller provided an updated regarding ongoing investigation of rattling in water well no. 2 and said that Layne removed the motor at well no. 2, determined that one of the shafts was not machined correctly and is returning the motor to the manufacturer for repair under warranty.

Mr. Miller also updated the Board regarding review of pond plans to serve O'Reilly's Auto Parts and solicitation of bids for proposed improvements/repairs to the commercial ditch.



ATTORNEY REPORT

Ms. Holoubek reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. Following review and discussion, Director Silverman moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Bradley seconded the motion, which passed unanimously.

The Board next reviewed the District's procedures for continuing disclosure compliance and determined no changes are required at this time.

MARCH 2017 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in March, 2017: March 21, 2017, special meeting and March 30, 2017, regular meeting.

There being no further business brought before the Board, the meeting was adjourned.

  
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Secretary, Board of Directors



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