

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 20, 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 20th day of July, 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
Vacant	Assistant Vice President

and all of the above were present except Director Silverman, thus constituting a quorum.

Also present at the meeting were Sheri Howard, District residents; Patty Rodriguez and Odette McMullen of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Michael Murr of Murr, Inc.; Erik Miller of Sander Engineering Corp. ("SEC"); and Jessica Holoubek, Whitney Higgins 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 McClellan seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

There was no public comment.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Lutz discussed additional handwritten checks for District website hosting and as payment to All Aquatics for interactive fountain equipment, both of which will be reflected in the August, 2017 bookkeeping report.

The Board considered expenses submitted by Board members who attended the Association of Water Board Directors ("AWBD") summer conference and considered authorizing attendance of the AWBD winter conference. The bookkeeper noted the expenses are in compliance with the District's travel and reimbursement guidelines. Upon a motion made by Director Bradley and seconded by Director McClellan, the Board unanimously authorized reimbursement of the expenses submitted for the summer conference and authorized attendance by all interested directors at the AWBD winter conference.

BUDGET FOR FISCAL YEAR END AUGUST 31, 2018

The Board next reviewed a draft budget for the fiscal year ending August 31, 2018, including the joint facilities budget. Following review and discussion, Director McClellan moved to approve the joint facilities budget. The motion was seconded by Director Bradley and passed unanimously. The Board requested that budget review and approval be included on both the special and regular August meeting agendas.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McMullen reported that taxable values for 2017 should be certified by the end of August, 2017.

ADDITIONAL OPERATING MATTERS

Mr. Bare reported that all District fire hydrants have been painted.

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 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. 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 McClellan seconded the motion, which carried unanimously.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER WISE PARTICIPATION

Ms. Holoubek reported that the participation cost for the 2016-2017 school year will increase to \$36.46 per student and presented a participation agreements for Board review and approval. The Board requested that the participation agreement be revised to specifically designate Sampson Elementary as the District's sponsored school.

ADDITIONAL ENGINEERING MATTERS

The Board received an engineering report from Sanders Engineering Corporation ("SEC"), a copy of which is attached.

Director McClellan discussed an analysis of the projected reduction to pumpage fees if the District builds a reclaimed water system and projected cost and said he would follow up with SEC to complete the analysis.

ADDITIONAL PARKS MATTERS

There was no additional discussion for this agenda item.

ATTORNEY REPORT

Ms. Holoubek updated the Board regarding proposed expansion of the water plant.

Ms. Holoubek discussed the Board seat vacated by the late Paul Bland and the Board concurred to place agenda items on the August regular meeting agenda to discuss and possibly appoint a director to fill the vacancy.

AUGUST 2017 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in August, 2017: August 17, 2017, regular meeting and August 15, 2017, special meeting.

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

(SEAL)



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Secretary, Board of Directors

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