

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 21, 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 21st day of September, 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, thus constituting a quorum.

Also present at the meeting were Greg Coleman and Angela Small, District residents; Odette McMullen and Patty Rodriguez of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Greg Lentz of FirstSouthwest, a Division of Hilltop Securities; and 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 Silverman then moved to approve all items on the consent agenda. Director Bradley 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.

HURRICANE HARVEY RELATED MATTERS

Mr. Bare reported to the Board regarding operation of District facilities during Hurricane Harvey (the "storm") and repairs made following the storm. Mr. Bare reported that Si suspended termination of service during August due to Hurricane Harvey and did not mail out written notification of termination in advance of this meeting.

Director Bradley discussed a request from the Cole's Crossing Community Association ("CCCAI") that the District reimburse the CCCAI for heavy debris removal in Harris County Municipal Utility District No. 364 ("No. 364") following the storm.

Discussion ensued regarding assessment of joint drainage facilities, including the storm sewer system and drainage channels, and request that No. 364 share the cost of the assessment.

Additional discussion ensued regarding inflow into manholes during the storm and performance of inflow preventers in District manholes.

BOARD VACANCY

Board candidates, Ms. Small and Mr. Coleman, left the meeting.

Discussion ensued regarding candidates for the vacant Board seat and procedural requirements for filling the position. Following discussion, Director Silverman moved to appoint Angela Small to fill the Board position vacated by the late Paul Bland. Director Bradley seconded the motion which passed unanimously.

Ms. Small and Mr. Coleman entered the meeting.

ADDITIONAL BOOKKEEPING MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

2017 TAX RATE

Mr. Lentz distributed a written tax rate analysis, a copy of which is attached. After all discussion, upon a motion made by Director Silverman and seconded by Director Bradley, the Board unanimously authorized the tax assessor to publish notice in the Cypress Creek Mirror of a public hearing on October 19, 2017, regarding the District's proposed adoption of a total tax rate of \$0.470 per \$100 of valuation, comprised of a \$0.275 debt service component and a \$0.195 operation and maintenance component and authorize posting of the notice on the District website.

CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

There was no discussion for this agenda item.

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ADDITIONAL OPERATING MATTERS

Mr. Bare reported that the meter for the interactive fountain will be installed Friday.

Mr. Bare next presented a customer appeal from Alex Richards requesting a leak adjustment. After review of the information provided by the customer and the District operator, the Board determined that the customer did not qualify for a leak adjustment as the customer stated that the leaks reported were internal to the structure on the property.

HEARING ON TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

The Board took no action.

ADDITIONAL ENGINEERING MATTERS

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

Discussion ensued regarding engineering fees associated with the proposed expansion of the water plant and wastewater treatment plant. Following discussion, the Board concurred to request that ABHR send correspondence to No. 364 requesting a deposit to cover payments advanced by the District for engineering fees associated with the future expansion of the water plant.

ADDITIONAL PARKS MATTERS

There was no discussion for this agenda item.

ATTORNEY REPORT

Ms. Higgins updated the Board regarding the status of a necessary sanitary control easement from No. 364 for the proposed expansion of the water plant.

BOARD VACANCY (CONTINUED)

The Board considered approving the Sworn Statement, Oath of Office, and Official Bond required in conjunction with the appointment of Angela Small to the Board position vacated by the late Paul Bland. Director Silverman moved to approve the Sworn Statement, Oath of Office, and Official Bond for Angela Small; that the Oath of Office and Official Bond be filed with the Secretary of State; and that the Sworn

Statement, Oath of Office, and Official Bond be filed and retained in the District's official records. Director Bradley seconded the motion, which passed unanimously.

Ms. Higgins distributed and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act Requirements, a copy of which is attached. She stated that each elected public official must complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551. Ms. Higgins stated that training must be completed within 90 days of taking the Oath of Office.

Ms. Higgins stated that a director must disclose if he has a current business relationship with any contractor or consultant doing business with the District if that relationship results in either gifts (other than entertainment) in excess of \$250 or taxable income to the Director or his immediate family in excess of \$2,500.

SEPTEMBER 2017 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in October, 2017: October 19, 2017, regular meeting and October 17, 2017, special meeting.

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




Secretary, Board of Directors

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