

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 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 December, 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
Angela Small	Assistant Vice President

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

Also present at the meeting were Greg Sissel of BKD, Inc.; Deaver Bradley, District resident; Odette McMullen of Bob Leared Interests, Inc.; Judy Osbourne of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); 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.

ADDITIONAL BOOKKEEPING MATTERS

The Board concurred to request that the District auditor bring a proposal to the January, 2018 meeting to review the joint facilities account invoice and payment history to determine if all reimbursement for operation and maintenance has been paid to the District pursuant to the previously approved letter agreement between the District and Harris County Municipal Utility District No. 364 ("No. 364") revising the capacity allocation in the wastewater treatment plant.

Ms. Higgins discussed with the Board the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Dallas. Upon a motion by Director Bradley and a second by Director Silverman the Board voted unanimously that a director attending the conference would be eligible for three per diems and two nights' hotel stay, and reimbursement for reasonable and necessary meals.

AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2017

Mr. Sissel reviewed a draft audit of the District's funds, including joint facility funds, for the fiscal year ending August 31, 2017, a copy of which is attached to these minutes. Upon a motion made by Director Silverman, seconded by Director Small, the Board voted unanimously to approve the audit and management letter, subject to final review and comments.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Director Silverman requested that the District tax assessor collector investigate recent sales tax payments from the City of Houston to confirm that funds due the District are fully collected.

ADDITIONAL OPERATING MATTERS

Mr. Bare reported regarding Si's inspection of District storm sewers, as discussed, and said no major obstructions that would block water flow were found. Director Myers requested that Si provide a summary of the inspection that could be shared with the public.

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 Silverman 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 Small seconded the motion, which carried unanimously.

ADDITIONAL ENGINEERING MATTERS

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

Mr. Miller reported that the actual cost to survey silt levels throughout the drainage channel was higher than the previously approved amount of \$12,000. Following discussion, Director Silverman moved to approve the revised estimate for an amount not to exceed \$24,000. Director McClellan seconded the motion, which passed unanimously.

Mr. Miller next updated the Board regarding survey of the lift station. Discussion ensued regarding conveyance of the lift station site to the District and the Board concurred to defer further discussion until Directors Silverman and Small inspect current access to the lift station.

Director McClellan discussed the cost of constructing a reclaimed water system. Following discussion, the Board concurred to authorize Director McClellan to discuss estimated reclaimed system construction costs with No. 364.

Mr. Miller updated the Board on development of a capital improvements project list for 2018 and Director Myers requested that Mr. Miller include rehabilitation of the commercial ditch.

ADDITIONAL PARKS MATTERS

The Board discussed acquiring a recreational use easement for development/construction of a concrete sidewalk, primarily in the right of way, along Barker Cypress from Destrehan to the Walgreen's Pharmacy. The Board requested that Sanders coordinate with Michael Murr to identify the proposed sidewalk layout and prepare metes and bounds for the proposed easement areas that need to be acquired prior to construction.

The Board also requested that Mr. Murr address damaged fencing by the school and standing water between the fence and the interactive fountain.

ATTORNEY REPORT

There was no additional discussion for this agenda item.

REORGANIZE THE BOARD OF DIRECTORS

The Board considered reorganizing the Board of Directors. Following review and discussion, Director Bradley moved to make no changes to the Board organization

with Director Small assuming the vacant position of Assistant Vice President. Director Silverman seconded the motion, which passed by unanimous vote.

JANUARY 2018 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in January, 2018: January 18, regular meeting and January 16, special meeting at 16314 Madewood Street.

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


Secretary, Board of Directors

(SEAL)



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