

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

March 22, 2018

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 22nd day of March, 2018, 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 Robin Goins of Bob Leared Interests, Inc.; Diane Bailey of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Michael Murr of Murr Incorporated; Greg Coleman, District resident; Mary DuBois of Acclaim Energy Advisors; and Jessica Carr, 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 Silverman seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

Ms. DuBois reported regarding current energy markets and electricity pricing and discussed the District's current contract for electricity. Following review and discussion, the Board concurred to authorize ABHR to place an agenda item on the April regular agenda to review pricing proposals and consider a approving a contract for electricity for the term following the expiration of the District's current contract for electricity.

2018 DIRECTORS ELECTION

Ms. Carr discussed procedures related to the 2018 Directors Election. She discussed that a Notice and Writ of Election is required to be provided to the election officials for the 2018 Directors Election. Following review and discussion, Director Silverman moved to authorize the Secretary's agent to provide the Notice and Writ of Election to the election officials for the 2018 Directors Election and to direct that the Notice be filed appropriately and retained in the District's official records. Director Small seconded the motion, which passed unanimously.

ADDITIONAL BOOKKEEPING MATTERS

The Board considered approving additional check nos. 4774 and 4775. Following review and discussion, upon a motion by Director Bradley and a second by Director McClellan, the Board approved the additional checks unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

The Board next reviewed the District's Drought Contingency Plan. Following discussion, the Board concurred that no revisions were necessary.

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 Small 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.

ADDITIONAL ENGINEERING MATTERS

Director Silverman reported regarding meetings of the Cypress Creek Flood Coalition ("CCFC") and requested an agenda for the Board's April special meeting to receive a presentation from the CCFC and discuss membership in the CCFC.

Mr. Miller reviewed an engineering report from Sanders Engineering Corporation ("SEC"), a copy of which is attached.

Mr. Miller first discussed the status of design of the expansion of water plant no. 2 and requested authorization to advertise for bids for construction. Following review and discussion, Director Bradley moved to authorize SEC to advertise for bids for construction of the expansion of water plant no. 2, subject to Texas Commission on Environmental Quality ("TCEQ") approval of plans. The motion was seconded by Director McClellan and passed unanimously.

Mr. Miller reviewed bids for improvement of the commercial ditch and recommended the Board award the contract to the lowest qualified bidder, Storm Water Solutions, LLC, in the amount of \$92,441.50. Based on the engineer's recommendation, the Board concurred that in its judgment, Storm Water Solutions, LLC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, upon the recommendation of SEC, Director Silverman moved to award the contract to Storm Water Solutions, LLC. Director Bradley seconded the motion, which passed unanimously.

Mr. Miller next reviewed updated capacities associated with proposed expansion of the wastewater treatment plant. The Board also discussed possible development of a water reuse system and identifying potential reuse customers.

Discussion ensued regarding ongoing investigation of drainage in The Park at Arbordale and possible options to improve drainage on Twisting Ivy Lane.

MOWING AGREEMENT WITH HARRIS COUNTY FLOOD CONTROL DISTRICT

Ms. Carr presented a Mowing Agreement with the Harris County Flood Control District ("HCFCD") for HCFCD Units K169-00-00, K169-01-00, K169-02-00 and K169-03-00. Following review and discussion, Director Silverman moved to approve the agreement. Director Bradley seconded the motion, which passed unanimously.

ATTORNEY REPORT

Discussion ensued regarding the Association of Water Board Directors ("AWBD") winter conference and spring seminar.

Ms. Carr next reviewed a Special Warranty Deed for conveyance of the lift station on Barker Cypress Road and a License Agreement for Trail Construction to Walgreen's Pharmacy. Following review and discussion, Director Small moved to accept a Special Warranty Deed and approve a License Agreement for Trail

Construction, as discussed. Director Silverman seconded the motion which passed by a vote of 4 to 0 with Director Bradley abstaining from voting.

APRIL 2018 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in April, 2018: April 19, regular meeting and April 17, special meeting at 16314 Madewood Street and potential future community events.

ADDITIONAL PARKS MATTERS

Mr. Murr reviewed a landscape management report and requested authorization to replace wax myrtles with rose bushes at the lap pool exit. The Board concurred to authorize replacement of the wax myrtles, as discussed.

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



Secretary, Board of Directors



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