

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

May 17, 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 17th day of May, 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
Greg Coleman	Vice President
Alan Silverman	Secretary
Jeff McClellan	Assistant Secretary
Angela Small	Assistant Vice President

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

Also present at the meeting were Odette McMullen of Bob Leared Interests, Inc.; Allyson Baker of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Greg Lentz of Masterson Advisors LLC; Erik Miller of Sander Engineering Corp. ("SEC"); Greg Coleman, District residents; 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 McClellan then moved to approve all items on the consent agenda. Director Small 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 discussed the upcoming Association of Water Board Directors ("AWBD") summer conference. After discussion, Director McClellan moved to authorize reimbursement costs for a maximum of 4 per diems, 3 hotel nights and 2 meals per day for all directors who attend the AWBD summer conference, noting that

meal reimbursements must meet the requirements of the Travel Reimbursement Guidelines. The motion was seconded by Director Small, and passed unanimously.

Ms. Baker reviewed additional handwritten check nos. 4832, 4833 and 4834 for payment of election officials. Following review and discussion, upon a motion by Director Small and a second by Director McClellan, the Board voted unanimously to approve these additional handwritten checks.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board discussed post Hurricane Harvey valuation of properties.

ADDITIONAL OPERATING MATTERS

Ms. Carr presented and reviewed the District's Critical Load List and explained that the District is required to file the list annually with Harris County and state agencies. Ms. Carr said that the District engineer, operator and bookkeeper have reviewed the revised Critical Load List and verified that the information is accurate.

Mr. Bare provided a draft Consumer Confidence Report ("CCR") to the Board and said the CCR must be mailed to District customers by July 1.

Following review and discussion, Director McClellan moved to (1) approve the Critical Load list and authorize ABHR to file same with appropriate local and State agencies; and (2) approve the CCR and authorize SI to mail it to District customers by July 1, 2018. Director Small seconded the motion, which passed unanimously.

The Board then discussed coordinating sectional flushing with the operator for Harris County Municipal Utility District No. 364 ("No. 364") and notifying customers through mass messaging.

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 McClellan seconded the motion, which carried unanimously.

ADDITIONAL ENGINEERING MATTERS

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

Mr. Miller reviewed eight bids for expansion of water plant no. 2 which includes water well no. 4 and addition of a hydro-pneumatic tank and recommended the Board award the contract to the lowest qualified bidder, Shier Construction ("Schier"), in the amount of \$939,337. Based on the engineer's recommendation, the Board concurred that in its judgment, Schier 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, Director Small moved to award a contract in the amount of \$939,337 to Schier for expansion of water plant no. 2 which includes water well no. 4 and addition of a hydro-pneumatic tank. The motion was seconded by Director Coleman and passed unanimously.

Mr. Miller next discussed pre-construction inspection of the proposed improvement area within the commercial ditch and said the outfall structure at the north end of the ditch failed. Director Myers requested a proposal from Storm Water Solutions to repair the outfall.

Discussion ensued regarding ongoing investigation of drainage in The Park at Arbordale, Harris County criteria for pavement and drainage design and possible options to improve drainage on Twisting Ivy Lane.

ADDITIONAL PARKS MATTERS

Ms. Carr updated the Board regarding coordination with the Cole's Crossing Community Association, Inc. ("CCCAI") regarding sidewalk construction, maintenance and conveyance of property for District facilities. Discussion ensued regarding adding a fourth sidewalk from The Park at Arbordale along Spring Cypress Road. Following discussion, the Board concurred to update the sidewalk agreement exhibit to show the additional sidewalk from the Park at Arbordale along Spring Cypress.

ATTORNEY REPORT

Discussion ensued regarding potential in-District meeting places and updating the District website with new director information, updated terms of office and Board positions.

FINANCIAL ADVISORY SERVICES

Mr. Lentz discussed his recent move from Hilltop Securities, Inc. to Masterson Advisors, LLC and requested that the Board consider engaging Masterson Advisors, LLC as the District's financial advisor. Following review and discussion, Director McClellan moved to (1) authorize ABHR to send a letter terminating the District's contract with First Southwest Company, LLC that through merger became Hilltop Securities, Inc. and providing notice required by the contract; and (2) approve a financial advisory services contract with Masterson Advisors, LLC. Director Coleman seconded the motion, which passed unanimously.

MAY 2018 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in June, 2018: June 14, 2018, regular meeting and June 19, 2018 special meeting at 13205 Barker Cypress Road.

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




Secretary, Board of Directors
V.P.

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