

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 19, 2013

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 19<sup>th</sup> day of September, 2013, 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
Paul Bland	Assistant Vice President

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

Also present at the meeting were Kristen Scott of Bob Leared Interests, Inc.; Shirley McLennan of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Michael Murr of Murr Incorporated; Claudine Pacioni, District resident; Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

Director Bradley 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 McClellan seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

ADDITIONAL BOOKKEEPING MATTERS

Ms. McLennan discussed the District's operating reserve.

SECURITY MATTERS

Ms. Pacioni reported two home burglaries on her street.

## RECYCLING SERVICES

Director Bradley provided information regarding recycled material tonnage collected in the District.

## ADDITIONAL OPERATING MATTERS

Mr. Bare presented a request for a leak adjustment from Maria Rivera. Ms. Rivera, through the District operator, provided evidence of a leak repair in her irrigation system. After carefully considering the information provided by both the District operator and resident, Director Silverman moved to authorize the District operator to make a leak adjustment credit to Ms. Rivera's utility account in accordance with the District's leak adjustment policy. The motion was seconded by Director McClellan and passed unanimously.

Mr. Bare next presented an estimate of \$16,600 to exercise all District valves and said this maintenance item would replace the annual manual inspection.

Mr. Bare next discussed repair of the booster pump at the lift station that feeds the wastewater treatment plant for \$22,723 to be shared with Harris County Municipal Utility District No. 364.

Mr. Bare reported that tetrachloroethene levels at the Dry Clean Supercenter have remained within acceptable limits.

Ms. Vinson discussed proposed revisions to the District's Drought Contingency Plan to comply with the North Harris County Regional Water Authority's ("NHCRWA") Drought Contingency Plan. Following review and discussion, Director Silverman moved to adopt an Order Adopting a Fourth Amended and Restated Drought Contingency Plan. Director McClellan seconded the motion, which passed unanimously.

## TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS

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 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 McClellan seconded the motion, which carried unanimously. A copy of the termination list is attached.

#### 2013 TAX RATE

Mr. Lentz distributed a written tax rate analysis, a copy of which is attached. Mr. Lentz presented and reviewed two debt service tax rate scenarios and the effects of each on the current budget. After all discussion, upon a motion made by Director Silverman and seconded by Director McClellan, the Board unanimously authorized the tax assessor to publish notice of a public hearing on October 17, 2013, regarding the District's proposed adoption of a total tax rate of \$0.52 per \$100 of valuation, comprised of a \$0.375 debt service component and a \$0.145 operation and maintenance component.

#### ADDITIONAL ENGINEERING MATTERS

No additional engineering items were discussed.

#### REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr reviewed 2 bids for recreational field rehabilitation and recommended that the Board award the contract to the lowest bidder, Keyscape, in the amount of \$74,714, because it would result in the best and most economical completion of the project, Director Silverman moved to approve the award of the contract to the lowest bidder, Keyscape, subject to review and approval of payment and performance bonds and insurance. Director McClellan seconded the motion which passed unanimously.

Director Bradley discussed Coles Crossing Community Association Inc.'s ("CCCAI") interest in partnering with the District in improvement projects. Director Silverman said he would coordinate with Don Richards to obtain a letter from CCCAI identifying possible projects.

Director Silverman discussed placement of trash cans on trailheads on the west side of trails instead of the east side.

#### ATTORNEY REPORT

There was no additional discussion for this agenda item.

#### INTERLOCAL AGREEMENT WITH SUBSIDENCE DISTRICT FOR WATERWISE PROGRAM

Ms. Vinson presented an Interlocal Agreement with Harris-Galveston Subsidence District for the Water Wise Program, in which the District sponsors water conservation educational kits for half of the fifth grade enrollment at Sampson

Elementary at a cost of \$34.50 per student. The Board discussed groundwater pumpage credits earned by the District in past years for the purchase of water conservation educational kits. Upon a motion made by Director Silverman and seconded by Director McClellan, the Board voted unanimously to approve the Interlocal Agreement with Harris-Galveston Subsidence District for the Water Wise Program and to authorize ABHR to discuss with the North Harris County Regional Water Authority the possible purchase of the District's credits.

INTERLOCAL AGREEMENT WITH HARRIS COUNTY FLOOD CONTROL DISTRICT FOR MOWING

Following discussion, Director Silverman moved to authorize ABHR to send a letter to Harris County Flood Control District requesting renewal of the District's interlocal mowing agreement. The motion, which was seconded by Director McClellan, passed unanimously.

OCTOBER REGULAR, JOINT AND SPECIAL MEETING DATES AND AGENDAS

The Board concurred to meet in joint session on October 9, 2013, in special session on October 10, 2013 in the District and in regular session on October 17, 2013 at ABHR. The Board also discussed possibly changing quarterly joint meeting dates.

EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.076, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, INCLUDING REGARDING SWWC SERVICES, INC., AND ANY DAMAGE INCURRED BY THE DISTRICT, AND TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES

The Board determined no executive session was necessary.

There being no additional business to consider, the meeting was adjourned.

(SEAL)



  
Secretary, Board of Directors

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