

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

November 21, 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 21<sup>st</sup> day of November, 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 Directors McClellan and Bradley, 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"); Claudine Pacioni, District resident; Michael Murr of Murr, Inc.; Chris Burke of Sander Engineering Corp.; Alia Vinson, Katie Carner 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 Bland 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 reported on sales tax revenues received pursuant to the District's Strategic Partnership Agreement with the City of Houston.

ANNUAL REPORT

Ms. Vinson stated that the District is required to file an Annual Report in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. Upon a motion made by Director Silverman and

seconded by Director Bland, the Board voted unanimously to authorize the consultants to prepare the Annual Report.

RESOLUTION VOTING FOR DIRECTOR FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

The Board considered adopting a Resolution Casting its Ballot for Director for Board of Directors Election for HCAD. Following review and discussion, Director Myers moved to adopt a Resolution Casting its Ballot for Director for Board of Directors Election for HCAD, cast the District's vote for Glenn Peters, and direct that the Resolution and ballot be filed appropriately and retained in the District's official records. Director Silverman seconded the motion, which passed by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board concurred not to update the District's aerial map. Ms. Scott also requested permission to prepare an uncollectable accounts report for personal property for the Board's consideration at the December 2013 meeting.

SECURITY MATTERS

Ms. Vinson updated the Board on the status of its renewal agreement with Harris County for security services.

RECYCLING SERVICES

There was no discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

Mr. Bare reported a customer overpayment refunded through SI and requested that the Board reimburse SI for same.

Mr. Bare also provided a report on the valve exercise and survey performed and costs to repair deficiencies identified. The Board concurred to defer action on approval until the December, 2013 regular meeting.

The Board also discussed the modified sampling schedule for the Dry Clean Supercenter.

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

## ADDITIONAL ENGINEERING MATTERS

Mr. Burke reported on corrosion at water plant no. 1, reported receipt of 10 bids for ground storage tank floor repairs, and recommended the Board award the contract to the lowest qualified bidder, MK Painting, in the amount of \$92,000. After review and discussion, and 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 MK Painting, subject to review and of payment and performance bonds and verification of insurance. Director Bland seconded the motion which passed unanimously.

Mr. Burke next reported coordinating with Alsay, Inc. to pull the assembly at well no. 2 and reported discussions with the manufacturer of the original pump regarding wear.

Mr. Burke and Ms. Vinson updated the Board on discussions with the developer of a proposed daycare along U.S. Highway 290 frontage and said the developer of the daycare has been advised of construction and financing requirements to relocate a District waterline.

## REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

The Board discussed removal of crepe myrtle trees by the Coles Crossing Community Association in an around the Welcome Center.

The Board discussed pending detention area improvements and soccer field rehabilitation. Mr. Murr also discussed general trail maintenance and repairs, including location of concrete pads to be poured for installation of trash receptacles previously approved by the Board. Mr. Murr also said the fence rails were delivered and will be replaced as approved and needed.

Following review and discussion, Director Silverman moved to approve a proposal for an amount not to exceed \$1,200 to be processed as Change Order No. 1 to the District's existing construction contract with Stewart Builders, Inc. for detention area improvements and soccer field rehabilitation. Director Bland seconded the motion, which passed unanimously.

ATTORNEY REPORT

The Board reviewed a First Amendment to the District's DLO365 Agreement with Acclaim Energy, Ltd. ("Acclaim") appointing Acclaim Energy Advisors as the District's CenterPoint Energy Services Company Emergency Load Management Standard Offer Program project sponsor. Upon a motion by Director Silverman and a second by Director Bland, the Board voted unanimously to approve a First Amendment to the District's DLO365 Agreement with Acclaim.

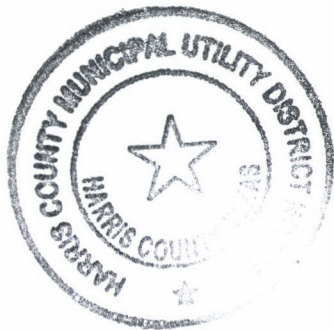
Ms. Vinson presented a letter agreement provided by the North Harris County Regional Water Authority ("NHCRWA") for the purchase of the District's Harris Galveston Subsidence District Water Wise Program Credits. Following discussion, Director Silverman moved to approve the proposed letter agreement with NHCRWA. The motion, which was seconded by Director Bland, passed unanimously.

NOVEMBER REGULAR AND SPECIAL MEETING AGENDAS, AND JOINT DISTRICT MEETING CALENDAR FOR UPCOMING YEAR

The Board concurred to hold a regular meeting on December 19, 2013, and the District's special in-District meeting on December 17, 2013. The Board also discussed moving the quarterly joint meeting to the Monday of each quarter immediately preceding the District's regular Board meeting at Kilburn's Restaurant, beginning January 13, 2014.

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

(SEAL)



  
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Secretary, Board of Directors

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