

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

January 21, 2016

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 January, 2016, 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 Myers and Bradley, thus constituting a quorum.

Also present at the meeting were Patty Rodriguez of Bob Leared Interests, Inc.; Diane Bailey of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Sherri Greenwood of BKD, LLP; and Alia Vinson, Whitney Ables, Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

Director Bland 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.

2016 DIRECTORS ELECTION

Ms. Vinson said Section 31.122 of the Texas Election Code (the "Code") requires the Secretary of the elected Board of Directors to keep his office open for election duties for at least three hours each day, during regular office hours, on regular business days during the period beginning not later than the 50<sup>th</sup> day before the election and ending not earlier than the 40<sup>th</sup> day after the election. Ms. Vinson noted that the law was amended to allow an agent of the District to serve as the District's agent for election purposes. Following review and discussion, Director Silverman moved to adopt a Resolution Designating an Agent of the Secretary of the Board and to appoint Jane H. Miller as the agent of the Board and to authorize posting of Notice of same at Harris

County and in the District. Director McClellan seconded the motion, which passed unanimously.

Ms. Vinson said that the Notice of Candidate Filing Period will be posted in the District and recommended that the Board authorize posting of same on the District website. Upon a motion by Director Silverman and a second by Director McClellan, the Board voted unanimously to authorize posting of the Notice of Candidate Filing Period in the District.

The Board next considered use of electronic voting systems and Ms. Vinson noted that recent legislation exempts District from use of electronic voting machines when less than 250 voters voted at the most recent directors election. The Board concurred to publish notice of the District's exemption election.

The Board discussed the rate of pay for election officials. After discussion, Director Silverman moved that the Board set the pay for election officials at \$15 per hour. Director McClellan seconded the motion, which carried by unanimous vote.

Ms. Vinson reported the District is required to call the 2016 Directors Election by February 19, 2016. She presented an Order Calling Directors Election. Following review and discussion, Director Silverman moved to approve the Order Calling Directors Election and authorize posting of a Notice of Election, if necessary. The motion, which was seconded by Director McClellan, passed unanimously.

#### ADDITIONAL BOOKKEEPING MATTERS

The Board then considered accepting Disclosure Statements from the District's bookkeeper and Investment Officer as required by the Public Funds Investment Act and the District's Investment Policy. Upon a motion made by Director Silverman and seconded by Director McClellan, the Board voted unanimously to accept the Disclosure Statements from the District's bookkeeper and Investment Officer and to authorize filing with the Texas Ethics Commission.

#### ADDITIONAL OPERATING MATTERS

Mr. Bare reviewed with the Board an appeal/leak adjustment application from the District customer at 16211 Haden Crest Court. Following review of information provided by both the District customer and District operator, Director McClellan moved to authorize the District operator to adjust usage pursuant to the District's leak adjustment policy. The motion was seconded by Director Silverman and passed unanimously.

The Board also discussed making application for inclusion in the Association of Water Board Directors Water Smart Program. Following discussion, Director McClellan

moved to approve a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Program.

#### 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 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 McClellan 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. A copy of the termination list is attached.

#### ADDITIONAL ENGINEERING MATTERS

Mr. Miller reported well volumes, pumpage and run times.

Mr. Miller next updated the Board regarding a disconnected drainage culvert between the soccer fields on Jarvis Road and conversations with Harris County Flood Control District ("HCFCD") regarding repair of same. He said HCFCD does not have right of way there and said he would discuss repair of the culvert with Si. Discussion ensued regarding installing a temporary access bridge over the drainage channel and regarding erosion around and damage to culverts and drainage swales on the north side of the detention basin near Sampson Elementary. Mr. Miller said he would discuss repairs with Director Myers and Si.

Mr. Miller next updated the Board regarding Harris County Municipal Utility District No. 364's ("No. 364") proposed expansion of the District's joint water and wastewater facilities and presented proposals to prepare preliminary engineering reports to address expansion of the wastewater treatment plant and installation of a 250-300 gallons per day (GPM) water well, subject to receipt of a deposit to cover engineering fees.

#### ATTORNEY REPORT

Ms. Vinson updated the Board regarding No. 364's proposed expansion of the District's joint water and wastewater facilities and presented a letter agreement from No. 364 regarding the deposit of funds for preparation of preliminary engineering reports for the proposed expansion of water plant no. 2 and the wastewater treatment plant. Following review and discussion, Director Silverman moved to (1) approve the

letter agreement; (2) confirm receipt of deposit checks from No. 364; and (3) approve proposals for preparation of preliminary engineering reports, as discussed in the engineer's report. Director McClellan seconded the motion, which passed unanimously.

Ms. Ables reported on the District's compliance activities during the prior calendar year related to bond financings. Ms. Vinson stated that no corrective action is required at this time.

Ms. Ables presented and reviewed a memorandum from ABHR regarding implementation of House Bill 1295 that was passed by the Texas Legislature during the 84<sup>th</sup> Legislative Session, which enacted Section 2252.908, Government Code, imposing new requirements for any new, amended, extended or renewed contracts entered into by governmental entities on or after January 1, 2016. A copy of the memorandum is attached. She stated that business entities must file a FORM 1295 with the Texas Ethics Commission and disclose certain interested parties, intermediaries, and controlling interests when seeking any contract that is in excess of \$1 million or requires an action or vote by the governing body before a governmental entity may enter into a contract. She discussed FORM 1295 promulgated by the Texas Ethics Commission for a business entity to complete, execute and notarize, and provide to the governmental entity at or in advance of the meeting at which the related contract may be considered.

Ms. Ables stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Ms. Ables reviewed the List of Local Government Officers.

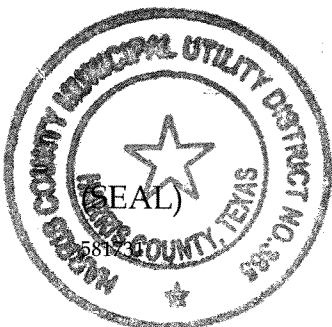
#### PUBLIC COMMENT

Sergeant Nagel discussed District patrol and traffic initiatives.

#### FEBRUARY 2016 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in February, 2016: February 16, 2016 special meeting and February 18, 2016 regular meeting.

There being no further business brought before the Board, and based on a motion made by Director Silverman and seconded by Director McClellan, the Board voted unanimously to adjourn the meeting.



  
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Secretary, Board of Directors

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