

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 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 16<sup>th</sup> day of June, 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.

Also present at the meeting were Kristin Scott of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare and Kyle Melgrin of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); and Jessica Holoubek, Whitney Ables 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 Bradley 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 considered expenses submitted by Board members who attended the Association of Water Board Directors ("AWBD") summer conference and considered authorizing attendance of the AWBD winter conference. The bookkeeper noted the expenses are in compliance with the District's travel and reimbursement guidelines. Upon a motion made by Director Bradley and seconded by Director Silverman, the Board unanimously authorized reimbursement of the expenses submitted for the

summer conference and authorized attendance by all interested directors at the AWBD winter conference.

#### BUDGET FOR FISCAL YEAR END AUGUST 31, 2017

The Board next reviewed a draft budget for the fiscal year ending August 31, 2017, including the joint facilities budget. Following review and discussion, the Board concurred to defer approval until the August Board meeting. Discussion ensued regarding engineering budgets for proposed expansion of the wastewater treatment plant.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

#### RENEWAL OF INSURANCE

The Board discussed upcoming expiration of District insurance policies and concurred to include coverage for the footbridge at a value of \$400,000.

#### ADDITIONAL OPERATING MATTERS

Discussion ensued regarding repairs at well no. 2, and Mr. Bare said the well would be back online this weekend.

Mr. Bare also presented a request for a leak adjustment from Stream Realty. Following review of information provided by the customer and the District operator, Director Silverman moved to authorize adjustment of the customer's utility bill pursuant to the District's Leak Adjustment Policy. The motion was seconded by Director McClellan and passed unanimously.

The Board also discussed reclaimed water systems, including permitting and construction costs, and automated meter reading technology. Following discussion, the Board requested a presentation from Accurate Meter & Backflow at the August special meeting.

#### 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 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 Bradley seconded the motion, which carried unanimously.

AMEND DISTRICT RATE ORDER

The Board concurred to defer discussion until the August special Board meeting.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller reported that survey of the detention in the proposed dog park area is complete and survey of the commercial ditch is ongoing. He also updated the Board regarding the status of a preliminary engineering report for the proposed expansion of Water Plant No. 2 and Harris County regrading of the intersection of Barker Cypress and Destrehan and reported an out of District complaint regarding drainage from a resident behind LA Fitness.

Mr. Miller next reported a capacity commitment request from O'Reilly Auto Parts. Following review and discussion, Director Silverman moved to approve a capacity commitment to O'Reilly Auto Parts. The motion was seconded by Director Bradley and passed unanimously.

ATTORNEY REPORT

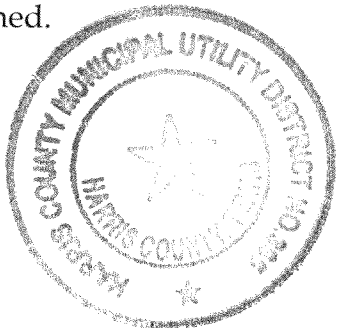
Ms. Holoubek discussed amending the District's Services Agreements with Association Repairs now doing business as Vista Landscape and Seaback Maintenance and said signed agreements will be presented at the August Board meeting for Board review and approval.

AUGUST 2016 REGULAR AND SPECIAL AGENDAS

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

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

(SEAL)



  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes  
Page

engineer's report.....	1
operator's report.....	1
tax assessor/collector report.....	1