

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 20, 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 20th day of September, 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 Greg Lentz of Masterson Advisors, LLC; Odette McMullen of Bob Leared Interests, Inc.; Diane Bailey of McLennan & Associates ("McLennan"); Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); and Whitney Ables, Jessica Carr, Holly Huston, Ashley Arvie, 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 Coleman 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

There was no additional discussion for this agenda item.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McMullen reported that there were nine accounts totaling \$2,366.08, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency. Following review and discussion, Director Silverman moved to write off the nine accounts deemed uncollectible. Director Small seconded the motion which passed unanimously.

Ms. McMullen stated certified property values for 2018 have been received from the Harris County Appraisal District

ADDITIONAL OPERATING MATTERS

Mr. Bare discussed an email received from a District resident regarding the resident's water bill.

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.

2018 TAX RATE

Mr. Lentz distributed a written tax rate analysis, a copy of which is attached. After all discussion, upon a motion made by Director Coleman and seconded by Director McClellan, the Board unanimously authorized the tax assessor to publish notice in the *Cypress Creek Mirror* of a public hearing on October 18, 2018, regarding the District's proposed adoption of a total tax rate of \$0.470 per \$100 of valuation, comprised of a \$0.285 debt service component and a \$0.185 operation and maintenance component and authorize posting of the notice on the District website.

Mr. Lentz distributed and reviewed a pro forma cash flow analysis, and discussed a potential bond issue, a copy of which is attached. Following review and discussion, the Board requested Mr. Lentz to present a revised analysis reflecting potential Capital Projects.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller reported on the status of construction of Water Plant No. 2, Water Well No. 4. He reviewed and recommended approval of Pay Estimate No. 1 to the Contract with Schier Construction Company ("Schier") in the amount of \$76,388.00. After review and discussion, Director Silverman moved to approve Pay Estimate No. 1 in the amount of \$76,388.00. Director McClellan seconded the motion, which passed by unanimous vote.

Mr. Miller updated the Board on the status of the proposed water reuse system. Discussion ensued regarding (1) Director McClellan's attendance at the Water Reuse Annual Symposium; (2) financial assistance programs offered by the Texas Water Development Board; and (3) coordinating with the homeowner's associations within the District and potential commercial customers to identify potential reuse customers.

Mr. Miller reported on the status of the rehabilitation of the commercial ditch and recommended approval of Pay Estimate No. 2 and Final in the amount \$9,144.15, payable to Storm Water Solutions, LLC ("SWS"). Following discussion, the Director McClellan moved to approve Pay Estimate No. 2 and Final to SWS. Director Small seconded the motion, which passed by unanimous vote.

Mr. Miller updated the Board on the construction of Lift Station No. 1 improvements.

Mr. Miller updated the Board regarding investigation of drainage on Twisting Ivy Lane in The Park at Arbordale. Following discussion the Board requested Mr. Miller send the report of the investigation to Directors Myers and McClellan.

Discussion ensued regarding potential installation of smart meters within the District to allow residents to track personal water usage.

ADDITIONAL PARKS MATTERS

Ms. Carr updated the board regarding the pending licensing agreement between the District and the Coles Crossing Community Association, Inc., for sidewalk construction and maintenance conveyance of a lift station located on Barker Cypress.

Discussion ensued regarding proposed language and location of signage on the District's recreational trails.

ATTORNEY REPORT

Discussion ensued regarding public access to District facilities.

WATER SMART APPLICATION

The Board discussed the District's participation in the Water Smart Program and Water Smart application. After review and discussion, Director Small moved to adopt a Resolution Approving Submittal of the Water Smart Application for Inclusion in the AWBD Water Smart Partners Program. Director Coleman seconded the motion, which passed by unanimous vote.

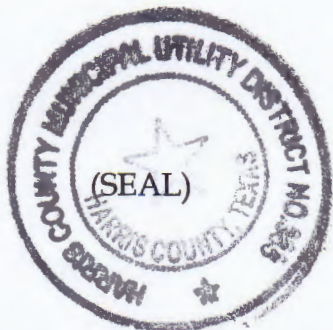
WEBSITE MATTERS

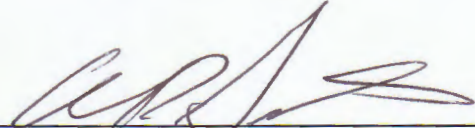
Director McClellan updated the Board regarding development of the new District website.

OCTOBER 2018 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in October, 2018: October 18, regular meeting and October 16, special meeting at 13050 Barker Cypress Road.

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





Secretary, Board of Directors

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