

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 18, 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 18th day of October, 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, thus constituting a quorum.

Also present at the meeting were Odette McMullen of Bob Leared Interests, Inc.; Diane Bailey of McLennan & Associates; Brian Bare of Si Environmental, LLC ("Si Enviro"); Erik Miller of Sander Engineering Corp. ("SEC"); and Whitney Ables, Jessica Carr, and Holly Huston 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 Coleman then moved to approve all items on the consent agenda. Director Silverman 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.

SECURITY MATTERS

There was no discussion on this agenda item.

PRESENTATION AND ENERGY MARKET REPORT FROM ACCLAIM ENERGY ADVISORS

There was no discussion on this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McMullen distributed and reviewed a chart tracking the revenue received as result of the Strategic Partnership Agreement between the District and the City of Houston. A copy of which is attached.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

Director Myers opened the public hearing on the District's proposed tax levy. Ms. McMullen confirmed that notice of the proposed levy had been published. There being no public comment, Director Myers then closed the public hearing, and the Board considered an Order Levying Taxes, reflecting a total tax rate of \$0.47 per \$100 of valuation, comprised of a \$0.285 debt service component and a \$0.185 operation and maintenance component. Following discussion, upon a motion made by Director Silverman and seconded by Director McClellan, the Board unanimously voted to adopt the Order Levying Taxes as presented.

Ms. Holoubek then reviewed an Amendment to Information Form reflecting the District's 2018 tax rate. After discussion, Director Silverman moved to approve the Amendment to Information Form and direct that it be filed with the Texas Commission on Environmental Quality and in the Harris County Deed Records. Director McClellan seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

There was no additional discussion on this agenda item.

Director Small entered the 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 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 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 Small seconded the motion, which carried unanimously.

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. 2 to the Contract with Schier Construction Company ("Schier") in the amount of \$106,200.00. After review and discussion, Director Silverman moved to approve Pay Estimate No. 2 in the amount of \$106,200.00. Director Small seconded the motion, which passed by unanimous vote.

Mr. Miller reported on the status of the improvements to the Wastewater Treatment Plant. Following discussion the Board concurred to request Mr. Miller to submit the preliminary cost estimate of the improvements to the Board for review before the project is bid.

Mr. Miller reported that Water Well No. 1 is experiencing operational issues and will be placed in lag mode through September. He stated SEC and Si Enviro will meet with Layne later this month to discuss repair options.

Mr. Miller presented two options for the Commercial Ditch Outfall Reconstruction; option (1) is to reconstruct the structure as originally designed with a corrugated metal low flow pipe at a preliminary estimated cost of \$132,000; and option (2) is to eliminate the corrugated metal low flow pipe and reconstruct as an open channel with appropriate side slopes and a low flow channel with baffles at a preliminary estimated cost of \$155,000. Following discussion, the Board concurred to request Mr. Miller to submit the Commercial Ditch Outfall Reconstruction options to Director Myers for review.

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.

Mr. Miller presented a utility request from Star Furniture proposing to lease the old Randall's location. A copy of which is attached to the engineer report. The Board discussed the feasibility of Star Furniture's request. Following discussion, the Board concurred to authorize Mr. Miller to contact Star Furniture and request justification for the utility request.

EVALUATION OF RECLAIMED WATER SYSTEM

Mr. Miller updated the Board on the status of the proposed water reuse system. Discussion ensued regarding (1) costs associated with implementing the proposed water reuse system; (2) coordinating with the homeowners associations within the District and potential commercial customers to identify potential reuse customers; and (3) expansion of current District facilities. Following discussion the Board concurred to request Mr. Miller to prepare a cost estimate of the water reuse system and present to the Board at the next meeting.

ADDITIONAL PARKS MATTERS

There was no additional discussion on this agenda item.

ATTORNEY REPORT

There was no additional discussion on this agenda item.

WEBSITE MATTERS

Director McClellan presented and reviewed a prototype of the new District website. Discussion ensued regarding proposed changes to the website.

Director Myers left the meeting.

Following review and discussion, Director Small moved to authorize Director McClellan to make necessary changes to the District website in an amount no to exceed \$500.00. Director Silverman seconded the motion which passed by unanimous vote.

NOVEMBER 2018 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in November, 2018: November 8, regular meeting and November 13, special meeting at 13050 Barker Cypress Road.

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



Asst. 
Secretary, Board of Directors

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