

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 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 December, 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 Odett 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"); Jessica Carr, Whitney Ables, 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 Silverman then moved to approve all items on the consent agenda. Director Small seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

Director Myers discussed the meeting with the Harris County Flood Control District ("HCFCD") to discuss the proposed Flood Risk Reduction Project utilizing approximately 20 acres of a 50-acre Detention Basin in the District. Following discussion, the Board concurred to authorize ABHR to request a follow up meeting with HCFCD to continue discussion on the Flood Risk Reduction Project.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Higgins discussed with the Board the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Austin. Upon a motion by Director Silverman and a second by Director

Small, the Board voted unanimously that a director attending the conference would be eligible for three per diems and two nights' hotel stay, and reimbursement for reasonable and necessary meals.

The Board then reviewed the District's Investment Policy, adopted February 15, 2018, to determine if any amendments were necessary. After discussion, the Board determined no amendment was necessary. Upon a motion made by Director Silverman, seconded by Director Coleman, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy.

The Board reviewed the District's list of qualified broker/dealers and authorized depository institutions. Upon a motion by Director Silverman and a second by Director Coleman, the Board voted unanimously to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2018

There was no action taken on this item.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no discussion on this item.

RESIDENTIAL IRRIGATION ANALYSIS

Ms. Higgins updated the Board regarding the W.I.S.E. Guys Irrigation Evaluation program. She reported that due to delays, the program will need to be extended to allow Vepo, LLC ("Vepo"), time to complete the analysis. Following discussion, the Board concurred to authorize ABHR to request Vepo extend their contract until July 31, 2019.

ADDITIONAL OPERATING MATTERS

There was no additional discussion on this agenda item.

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 Silverman seconded the motion, which carried unanimously.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller updated the Board on the operational issues that Water Well No. 1 is experiencing and stated he will present a proposal for repair at the next Board meeting.

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. 4 to the Contract with Schier Construction Company in the amount of \$25,785.00. Following review and discussion, Director Silverman moved to approve Pay Estimate No. 2 in the amount of \$25,785.00. Director McClellan 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 requested authorization to obtain a field survey of the Commercial Ditch Outfall Reconstruction, in the amount of \$4,265.00. Following discussion, the Board concurred to authorize SEC to conduct a field survey of the Commercial Ditch Outfall Reconstruction.

Mr. Miller discussed repairs to Water Well No. 1 and requested authorization to advertise the project for bids. Following discussion, Director Silverman moved to authorize advertisements for bids for Water Well No. 1 repairs. Director McClellan seconded the motion, which passed by unanimous vote.

EVALUATION OF RECLAIMED WATER SYSTEM

Mr. Miller updated the Board on on-going water reuse discussion matters. Discussion ensued regarding (1) costs and savings associated with implementing a water reuse system; and (2) the feasibility on implementation of a water reuse system. Upon a motion made by Director McClellan, seconded by Director Silverman, the Board voted unanimously to authorize SEC to prepare a preliminary engineering report to present at the June, 2019 regular Board meeting, in an amount not to exceed \$40,000.00.

ADDITIONAL PARKS MATTERS

There was no action taken on this item.

ATTORNEY REPORT

Ms. Carr reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas.

Mr. Carr updated the Board on the interim water capacity lease agreement (the "Agreement") between the District and Harris County Municipal Utility District No. 365 and discussed terms and conditions of the Agreement.

WEBSITE MATTERS

There was no discussion on this agenda item.

JANUARY 2019 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in January, 2019: January 10, regular meeting and January 15, 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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