

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

March 21, 2019

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 21st day of March, 2019, 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 Michael Murr of Murr Incorporated; Odett McMullen of Bob Leared Interests, Inc.; Mary Lutz and Pamela Redden of McLennan & Associates ("McLennan"); Mary Jarmon of Myrtle Cruz, Inc.; Brian Bare of Si Environmental, LLC ("Si Enviro"); Erik Miller of Sander Engineering Corp. ("SEC"); Jessica Carr, Whitney Higgins, 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 McClellan 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 approving additional check no. 5135. Following review and discussion, upon a motion made by Director Coleman and a second by Director Small, the Board unanimously approved the additional check.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

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

ADDITIONAL OPERATING MATTERS

Ms. Carr stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. She reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Coleman moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Small seconded the motion, which passed by unanimous vote.

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 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.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller reported on the status of construction of Water Plant No. 2 and Water Well No. 4. He reviewed and recommended approval of Pay Estimate No. 7 in the amount of \$64,350.00, payable to the contract with Schier Construction Company ("Schier").

Mr. Miller presented and reviewed the construction plans for the Wastewater Treatment Plant Expansion and Improvements. Upon completion of the presentation, Mr. Miller requested Board authorization to advertise the project for bids.

Mr. Miller presented information concerning C&C Water Services LLC's ("C&C") evaluation and recommendations for repairs to Water Well No. 1 ("Well 1").

Based upon the circumstances and the evaluation from C&C, Mr. Miller stated that an emergency condition exists and that SEC recommends the District take immediate action to make repairs to remediate Well 1. Mr. Miller then presented and recommended approval of a proposal from C&C in the amount of \$178,947.00 for the total rehabilitation of Well 1. After discussion, and based upon the recommendation of the District's engineer, Director Silverman moved to (1) make a finding that remediation of Well 1 is an emergency condition under Section 49.274, Texas Water Code, that would create a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action and to authorize notification of such emergency condition to the TCEQ; and (2) approve the proposal from C&C in the amount of \$178,947.00. Director Small seconded the motion, which passed unanimously.

Mr. Miller updated the Board regarding the survey of the Coles Village Stillwater drainage ditch, stating the estimated construction costs to reestablish the flow lines is \$800,000.00. Following discussion, the Board concurred to request SEC to submit the survey to Director Myers for further evaluation.

Discussion ensued regarding ongoing investigation of drainage on Twisting Ivy Lane and the entrance of The Park at Arbordale ("PAA"). Mr. Miller then requested Board approval to survey the property in an amount not to exceed \$5,000.00.

Discussion ensued regarding the status of the District's Capital Improvement Plan.

Following review and discussion, Director Small moved to (1) approve Pay Estimate No. 7 in the amount of \$64,350.00, payable to Schier for the construction of Water Plant No. 2 and Water Well No. 4; (2) authorize advertisements for bids for construction of the Wastewater Treatment Plant Expansion and Improvements; and (3) authorize SEC to survey residential property on Twisting Ivy Lane in PAA in an amount not to exceed \$5,000.00. Director Coleman seconded the motion which passed by unanimous vote.

EVALUATION OF RECLAIMED WATER SYSTEM

Mr. Miller updated the Board on the status of the Preliminary Engineering Report ("PER") for the Reclaimed Water System. The Board reiterated their request to have SEC present the PER by the June, 2019, meeting.

ADDITIONAL PARKS MATTERS

There was no action taken on this item.

ATTORNEY REPORT

Ms. Carr stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Carr explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. She added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. Ms. Carr stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. She next reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Silverman moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Small seconded the motion, which passed by unanimous vote.

WEBSITE MATTERS

There was no action taken on this item.

APRIL 2019 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in April, 2019: April 18, regular meeting and April 16, special meeting at 13050 Barker Cypress Road.

CONSULTANT SERVICES AGREEMENT

There was no action taken on this agenda item.

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



Ass^{ts}. 
Secretary, Board of Directors

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