

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

April 18, 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 18th day of April, 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:

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|----------------|--------------------------|
| 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 Directors Silverman and Myers, thus constituting a quorum.

Also present at the meeting were Odett McMullen of Bob Leared Interests, Inc.; Mary Jarmon of Myrtle Cruz, Inc.; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Jessica Carr, Whitney Higgins, and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

Director Coleman 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 Small seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

The Board discussed the W.I.S.E. Guys Irrigation Evaluation program and comments received from residents regarding the inaccessibility of scheduling the evaluations and with Vepo, LLC.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Carr presented the Resolution Changing and Appointing Investment Officer to Mary Jarmon with Myrtle Cruz, Inc.

Ms. Carr stated that in accordance with the District's Investment Policy, Mary Jarmon, as the District's Investment Officer, is required to execute a disclosure statement that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the Disclosure Statement will be filed with the Texas Ethics Commission.

Ms. Carr stated that due to the appointment of Mary Jarmon as the new Bookkeeper and Investment Officer, Exhibit A to the Depository Pledge Agreement with Compass Bank will be amended. She reviewed the amended Exhibit A to the Depository Pledge Agreement with Compass Bank.

The Board next considered authorizing the execution of a District Registration Form with the Texas Commission on Environmental Quality.

After review and discussion, Director Small moved to (1) adopt the Resolution Changing Investment Officer; (2) accept the Disclosure Statement pursuant to the District's Investment Policy and the Public Funds Investment Act; (3) approve the amended Exhibit A to the Depository Pledge Agreement with Compass Bank; and (4) authorize the execution of the District Registration Form to reflect the District's new bookkeeper, Myrtle Cruz, Inc.. Director McClellan seconded the motion, which passed unanimously.

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

Mr. Bare distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program"). He noted that SI is required to prepare an annual report as Program Administrator. Mr. Bare stated the annual report indicates no significant incidents of Identity Theft detection and recommends no changes to the Program at this time.

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.

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. 8 in the amount of \$32,985.00, payable to the contract with Schier Construction Company ("Schier"). Mr. Miller next reviewed and recommended approval of Change Order No. 1 which extends the total contract time to 324 days from the original 270 due to weather delays.

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

Following review and discussion, Director McClellan moved to (1) approve Pay Estimate No. 8 in the amount of \$32,985.00, payable to Schier for the construction of Water Plant No. 2 and Water Well No. 4; and (2) approve Change Order No. 2 to Schier to extend the contract time for the construction of Water Plant No. 2 and Water Well No. 4 to 324 days from the original 270 days due to weather delays, and based upon the Board's finding that Change Order No. 2 is beneficial to the District and the engineers recommendation. Director Small 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 for the Reclaimed Water System.

ADDITIONAL PARKS MATTERS

There was no action taken on this item.

ATTORNEY REPORT

There was no action taken on this item.

WEBSITE MATTERS

Discussion ensued regarding the creation of a District logo.

MAY 2019 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in May, 2019: May 16, regular meeting and May 14, special meeting at 13050 Barker Cypress Road.

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

Angie Small
Secretary, Board of Directors

Assistant Vice President



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