

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 27, 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 27th day of June, 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 Mary Dubois of Acclaim Energy Advisors ("Acclaim"); 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 Houlobek, Jane Miller, 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 Coleman seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

Discussion ensued regarding recycling collection with the District.

ACCLAIM REPORT

Ms. DuBois updated the Board regarding the District's current electricity contract with Constellation Energy. She reported that due to an oversight by Acclaim, when the District's electricity transferred from Direct Energy to Constellation Energy in April of 2018, the District's Splash Pad was left off the account schedule. Ms. DuBois then presented and reviewed an Electricity Supply Agreement to include the Splash Pad on the District's current contract. Following review and discussion, Director Coleman

moved to approve a contract for electricity through Constellation Energy. The motion was seconded by Director Small and passed unanimously.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon said the Joint Facilities draft budget will be submitted to Harris County Municipal Utility District No. 364 in accordance with the Joint Facilities Agreement.

The Board considered approving additional check nos. 5266, 5267, 5268, 5269, and 5270. Following review and discussion, upon a motion made by Director Silverman and a second by Director Small, the Board approved the additional checks unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of delinquent 2018 taxes. Following review and discussion, Director Small moved to authorize Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the delinquent tax collection. Director McClellan seconded the motion, which was approved by unanimous vote.

INSURANCE POLICY RENEWAL

The Board next reviewed an insurance renewal proposal submitted by McDonald & Wessendorff Insurance. Following review and discussion, upon a motion by Director Silverman and a second by Director Coleman, the Board voted unanimously to approve the proposal.

ADDITIONAL OPERATING MATTERS

The Board discussed automated meter reading technology. Following discussion, the Board requested a presentation from Accurate Meter & Backflow at the July regular 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.

WATER WISE PROGRAM

Ms. Huston reported that the participation cost for the 2019-2020 school year will remain at \$36.46 per student and presented a participation agreement for the Board's review and approval. Following review and discussion, upon a motion by Director Small and a second by Director Silverman, the Board voted unanimously to approve an Interlocal Agreement with Harris-Galveston Subsidence District for Water Wise participation for the 2019-2020 school year.

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. 10 in the amount of \$43,326.00, payable to the contract with Schier Construction Company ("Schier"). Mr. Miller next reviewed and recommended approval of Change Order Nos. 3 and 4 to the contract with Shier. He noted that Change Order No. 3 does not increase or decrease the contract as SEC will be covering the cost of repainting the new hydro-tank and Change Order No. 4 will increase the contract in the amount of \$3,070.00. The Board determined that Change Order Nos. 3 and 4 are beneficial to the District.

Mr. Miller stated that four bids were received June 10, 2019, for the construction of Wastewater Treatment Plant Expansion to 0.97MGD. He recommended that the Board award the contract to R&B Group, in the amount of \$2,333,500.00. The Board concurred that, in its judgment, R&B Group was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Director Small requested that Mr. Miller submit information regarding construction related to the expansion for uploading on the District website.

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

Mr. Miller updated the Board regarding the ongoing investigation of drainage at the entrance of The Park at Arbordale.

Following review and discussion, Director McClellan moved to (1) approve Pay Estimate No. 10 in the amount of \$43,326.00, payable to Schier for the construction of Water Plant No. 2 and Water Well No. 4; (2) approve Change Order No. 3 which does not increase or decrease the amount of the contract for the construction of Water Plant No. 2 and Water Well No. 4 as SEC will be covering the cost of repainting the new hydro-tank, and based upon the Board's finding that Change Order No. 3 is beneficial to the District and the engineers recommendation; (3) approve Change Order No. 4 in the amount of \$3,070.00 as an increase to the contract with Schier for the construction of

Water Plant No. 2 and Water Well No. 4 , and based upon the Board's finding that Change Order No. 4 is beneficial to the District and the engineer's recommendation; (4) award the contract for the construction of Wastewater Treatment Plant Expansion to 0.97MGD to R&B Group in the amount of \$2,333,500.00 based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; and (5) request Mr. Miller to set up a meeting with Harris County to discuss potential drainage solutions to the entrance of The Park at Arbordale. 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. Following discussion, the Board concurred to request ABHR prepare a written commitment for potential reclaimed water system users.

ADDITIONAL PARKS MATTERS

There was no action taken on this item.

ATTORNEY REPORT

There was no discussion on this agenda item.

WEBSITE MATTERS

Discussion ensued regarding the roll out the District logo.

JULY 2019 REGULAR AND SPECIAL AGENDAS

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

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Engineer's report.....	1
Operator's report	1
Tax assessor/collector's report.....	1