

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 17, 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 17th day of October, 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 Greg Lentz of Masterson Advisors, LLC; 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"); and Jessica Holoubek, 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.

UNLIMITED TAX LEVEE IMPROVEMENT REFUNDING BONDS, SERIES 2019 ("REFUNDING BONDS")

Mr. Lentz reviewed an updated financial analysis of savings potentially created by a proposed refunding bond issuance based upon current market conditions, a copy of which is attached.

Mr. Lentz then reviewed a draft of the Preliminary Official Statement for the Refunding Bonds.

The Board considered appointing The Bank of New York Mellon Trust Company, N.A. ("BONY"), as the Paying Agent/Registrar for the Refunding Bonds.

Ms. Holoubek presented and reviewed a Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2019.

The Board then discussed parameters for the sale of the Refunding Bonds by delegation of authority to a director.

The Board then reviewed a Certificate Regarding Provision of Financial Advice.

The Board then considered approving a check to the Attorney General of Texas for review of the Refunding Bond transcript.

Following review and discussion, Director Silverman moved to (1) approve the Preliminary Official Statement; (2) appoint BONY as the Paying Agent/Registrar for the Refunding Bonds; (3) adopt the Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2019; (4) set the minimum present value savings at 3%; (5) set the maximum amount of refunding bonds to be at \$4,500,000.00; (6) authorize Director Myers to be the authorized agent to approve final pricing within the approved parameters; (7) approve the Certificate Regarding Provision of Financial Advice; (8) authorize the District's attorney and financial advisor to take all necessary action in connection with the issuance of the District's Refunding Bonds; and (9) approve a check to the Attorney General for bond issue transcript review. Director Coleman seconded the motion, which passed unanimously.

PUBLIC COMMENT

There was no discussion on this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Jarmon presented a proposed amended budget to remove the leased water supply from the budgeted revenues from the current budget for the fiscal year ending August 31, 2020. Following review and discussion, upon a motion made by Director Silverman, and seconded by Director McClellan, the Board unanimously approved the amended budget for the fiscal year ending August 31, 2020, as presented.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no discussion on this agenda item.

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 \$0.28 debt service component and a \$0.19 operation and maintenance component. Following discussion, upon a motion made by Director Silverman and seconded by Director Small, 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 2019 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 Small seconded the motion, which passed by unanimous vote.

CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

There was no discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

The Board received a written appeal requesting a leak adjustment from customer, Chris Kulua. Following review and discussion of the information provided by both the customer and SI, Director Silverman moved to approve the leak adjustment form to reduce the customers June water bill to \$41.33. Director Small seconded the motion. The motion passed by a vote of 4-1, with Director Myers opposed.

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.

SMART METER MATTERS

There was no action on this agenda item.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller stated that thirteen bids were received September 5, 2019, for the construction of Commercial Ditch Outfall Reconstruction. He recommended that the Board award the contract to Sitework Contractors, LLC ("Sitework"), in the amount of \$112,460.00. The Board concurred that, in its judgment, Sitework 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.

Mr. Miller updated the Board regarding SEC's response to Harris County Flood Control District ("HCFCD") request to cost share drainage improvements in the Coles Crossing Subdivision, noting HCFCD has not responded to SEC's request for additional information on the project.

Following review and discussion, Director Small moved to award the contract for the construction of Commercial Ditch Outfall Reconstruction to Sitework in the amount of \$112,460.00 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. Director Coleman seconded the motion which passed by unanimous vote.

RECLAIMED WATER SYSTEM

Director McClellan presented and reviewed a case study for the Reclaimed Water System, a copy of which is attached. Discussion ensued regarding capital costs, and potential effluent reuse users. Following discussion, the Board concurred to attend the Coles Crossing Community Association, Inc., meeting on October 28, 2019, to provide a presentation on the Reclaimed Water System.

ADDITIONAL PARKS MATTERS

Director Small updated the Board regarding ongoing discussions with the Coles Crossing Community Association, Inc., and Park at Arbordale regarding recycling and waste collection services within the District. Discussion ensued regarding the current rates of recycling and waste collection. No action was taken at this time.

ATTORNEY REPORT

There was no discussion on this agenda item.

DISCUSS EMERGENCY MASS MESSAGING SYSTEMS

Director Small updated the Board regarding the testing of the emergency alert system.

WEBSITE MATTERS

There was no discussion on this agenda item.

PATROL STAFFING FOR 2020

The Board discussed patrol staffing for 2020 and requested that ABHR notify the Harris County Sheriff's Department of the District's intent to continue the contract and to request that Deputy Steve Endsley be reassigned to the District for 2020.

NOVEMBER 2019 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in November, 2019: November 21, regular meeting and November 11, special meeting at 13050 Barker Cypress Road.

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



Angela Small
~~Secretary~~, Board of Directors
Assistant Vice President

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