

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 367

January 9, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 367 (the "District") met in regular session, open to the public, on the 9th day of January, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Christopher Jacob	President
Daryl Austin	Vice President
Lena Lahasky	Secretary
William McEnroe	Assistant Vice President
Eric Neason	Assistant Secretary

and all of the above were present except Directors Lahasky and Neason, thus constituting a quorum.

Also present at the meeting were Simon VanDyk and Michael Willett of Touchstone District Services ("Touchstone"); Jennifer Smith of Accurate Meter & Supply ("Accurate Meter"); Kris Bradshaw of First Service Residential; Layne Yeager of Double Eagle Erosion Solutions, LLC ("Double Eagle"); Stephanie Lee of KGA/DeForest Design, L.L.C. ("KGA"); Kathy Cruthirds of Tax Tech, Inc. ("Tax Tech"); Karen Sears of Storm Water Solutions, LLC ("SWS"); Scott Shelnutt of Municipal Operations & Consulting, Inc. ("MOC"); Cindy Grimes of Municipal Accounts & Consulting, L.P. ("MAC"); and Adisa Harrington and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT MATTERS

Ms. Sears reported that the District's stormwater quality permit is up for renewal and due to policy changes adopted after Hurricane Harvey at the Harris County Engineering Department ("HCED"), SWS is required to present a delegation letter for Board approval in order for SWS to submit the District's stormwater quality permit for renewal. Following review and discussion, Director Austin moved to approve execution of the delegation letter to HCED. Director McEnroe seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of the December 12, 2018, regular meeting. After review and discussion, Director Austin moved to approve the meeting

minutes, as submitted. Director McEnroe seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

The Board did not receive any comments from the public.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Grimes reviewed the bookkeeper's report, including the bills presented for payment, a copy of which is attached.

Discussion ensued regarding check no. 10193 in the amount of \$1,395 to Touchstone for website design fees and the Board requested that Ms. Grimes hold the check until the website is finalized and ready to launch

Pursuant to the District's Investment Policy, Ms. Grimes provided the annual disclosure statements for the District's bookkeeper and Investment Officers. Ms. Harrington explained the bookkeeper and Investment Officers are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District.

Ms. Grimes reviewed the proposed Amended and Restated Agreement for Bookkeeping Services with MAC.

Following review and discussion, Director Austin moved to: (1) approve the bookkeeper's report and payment of the bills; (2) accept the disclosure statements, authorize filing the disclosure statements with the Texas Ethics Commission, and direct that they be filed appropriately and retained in the District's official records, and (3) approve the Amended and Restated Agreement for Bookkeeping Services with MAC, and authorize execution of same. Director McEnroe seconded the motion, which passed by unanimous vote.

POST-ISSUANCE COMPLIANCE

Ms. Harrington reported on the District's post-issuance compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Cruthirds reviewed the tax assessment and collection report, a copy of which is attached, including the delinquent tax roll. She stated that 19.08% of the District's 2018 taxes had been collected as of December 31, 2018. After review and discussion, Director

Austin moved to approve the tax assessor/collector's report and payment of the tax bills. Director McEnroe seconded the motion, which passed unanimously.

DISTRICT PARK MATTERS

Ms. Lee presented and reviewed the landscape architect's report, a copy of which is attached.

Ms. Lee updated the Board on the construction of the parking lot adjacent to lift station no. 3. She then presented and recommended approval of Change Order No. 2 in the amount of \$4,095.00.

Following review and discussion, and based upon the recommendation of the landscape architect, Director Austin moved to approve Change Order No. 2 in the amount of \$4,095.00 to D.L. Meacham for the construction of the parking lot adjacent to lift station no. 3. Director McEnroe seconded the motion, which carried by unanimous vote.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Shelnutt reviewed the operator's report, a copy of which is attached, and reported on maintenance of the District's facilities. He reported that the water accountability for the past month was 97.4%.

Mr. Shelnutt then updated the Board regarding operator items on the action list.

Following review and discussion, Director Jacob moved to approve the operator's report. Director McEnroe seconded the motion, which carried by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Mr. Shelnutt presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Austin moved to authorize termination of delinquent accounts, in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the

District's official records. The motion was seconded by Director McEnroe and passed by unanimous vote.

SMART METER MATTERS

Director McEnroe stated that the installation of smart meters started this week and a 90-day installation period is expected. Ms. Smith reviewed literature informing residents of the smart meter installation. Discussion ensued and the Board requested that MOC and MAC coordinate on the billing of Badger fees for the District's smart meters to ensure there is no mark-up of the fees.

ENGINEERING MATTERS

The Board reviewed the engineer's report, a copy of which is attached.

Ms. Harrington reported that, according to the District's engineer, KF Enterprises is proceeding with plans for the proposed PAC dance studio, as set forth in the engineer's report. She stated that Costello recommends the District grant a consent to encroach for the private water and sewer lines that will cross the Lakes of Gleannloch detention area in order to serve the tract, and that easements across a strip of land owned by a third party will also be needed for the private water and sewer lines.

Ms. Harrington stated that bids were received for re-coating of ground storage tank no. 1 and Costello is recommending that the Board award the contract to A&H Coating Services ("A&H") in the amount of \$100,900.00. The Board concurred that, in its judgment, A&H 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.

Following review and discussion, Director Austin moved to: (1) approve the engineers report subject, to final review (2) grant a consent encroachment to KF Enterprises, subject to KF Enterprises obtaining the necessary easements from the adjacent third-party landowner and meeting the additional requirements for annexation of the KF Enterprises tract into the District as well as finalization of the consent to encroachment documentation by Costello and ABHR; (3) award the contract for re-coating of ground storage tank no. 1, in the amount of \$100,900.00 including Alternate Bid Item 2 for blasting and recoating of the exterior of the tank, based upon the Costello'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 McEnroe seconded the motion, which passed by unanimous vote.

CHANNEL AND POND MAINTENANCE

Mr. Yeager presented a maintenance report from Double Eagle, a copy of which is attached. He reviewed a proposal in the amount of \$2,600 for the complete assessment of all drainage assets within the District.

Following review and discussion, Director Austin moved to approve the proposal from Double Eagle in the amount of \$2,600 for the complete assessment of all drainage assets within the District. The motion was seconded by Director McEnroe and passed by unanimous vote.

WIRELESS SPRINKLER IRRIGATION CONTROLS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

DISTRICT INFORMATION KIT

The Board reviewed the District's Information Kit and concurred to approve the updated Kit at next month's meeting. Ms. Harrington requested that Directors and consultants provide any comments they may have to ABHR prior to the next meeting.

GROUNDWATER CREDIT MATTERS

There was no discussion on this matter.

ACTION LIST

The Board reviewed the action list.

DISTRICT WEBSITE MATTERS

Mr. VanDyk distributed and reviewed a monthly report from Touchstone, a copy of which is attached. He reviewed proposed logo options and discussed website content. Discussion ensued and the Board concurred to make a final decision regarding the District logo and website content at next month's meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT MATTERS (CONTINUED)

Ms. Harrington presented and reviewed correspondence from the Harris-Galveston Subsidence District regarding water conservation materials for District use. The Board concurred to consider including some of the materials on the District's new website once the website is ready for release.

ACTION LIST

New Items:

1. MOC and MAC will coordinate on the billing of Badger fees for the District's smart meters to ensure there is no mark-up of the fees.

Pending Items:

1. ABHR will finalize the annexation letter agreement and related annexation petitions for the pending Friedman annexation.
2. ABHR and Costello will finalize the Consent to Encroachment for Friedman, in connection with the pending annexation.
3. MOC will provide proposals to repair the sanitary sewer line obstruction between Gleannloch Lakes Boulevard to Lochflora Drive.
4. MOC will complete repairs identified in phase two of the sanitary sewer line televising report.
5. MOC will install Human Machine Interface ("HMI") equipment at the District and regional facilities.
6. MOC will replace the Water Plant No. 1 fence.
7. Double Eagle will make improvements to a back swale that is holding water by installing a channel desilt line from the swale to Champion Forest Drive.
8. Touchstone will work with Directors Lahasky and McEnroe as needed to finalize the District's website.
9. Costello will prepare an exhibit showing areas along the District's drainage channels that need to be rehabilitated.
10. After the Gleannloch Forest Drive expansion project is complete, MOC will install a gate in the gap opening of the split-rail fence adjacent to water plant no. 3.
11. After the Gleannloch Forest Drive expansion project is complete, KGA will proceed with the installation of sidewalks between Gleannloch Forest Drive and Northpointe Boulevard.

LIST OF ATTACHMENTS TO MINUTES

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There being no further business to come before it, the Board concurred to adjourn the meeting.



Secretary, Board of Directors

(SEAL)

