

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 367

August 14, 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 14th day of August, 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 Director Neason, thus constituting a quorum.

Also present at the meeting were Layne Yeager of Double Eagle Erosion Solutions, LLC ("Double Eagle"); Ralph Wissel and Jeff Ebersole of Costello, Inc. ("Costello"); Christy Leighton of Best Trash; Kathy Cruthirds of Tax Tech, Inc.; Scott Shelnett of Municipal Operations & Consulting, Inc.; Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Cindy Grimes of Municipal Accounts & Consulting, L.P. ("MAC"); and Adisa Harrington and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the regular meeting minutes of July 10, 2019. After review and discussion, Director Lahasky moved to approve the regular meeting minutes of July 10, 2019, as revised. Director Austin seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

There were no comments from the public.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2014 BONDS

Ms. Harrington reviewed the Interim Arbitrage Rebate Compliance Report for the Series 2014 Bonds (the "Report") and noted the Report reflects that the District does not owe a payment to the Internal Revenue Service for excess earnings.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Grimes reviewed the bookkeeper's report, including the bills presented for payment, and the quarterly investment report, copies of which are attached.

Ms. Grimes reported on check no. 10493 to Tammy Koppa in the amount of \$22.70. She stated that the resident never received the check initially disbursed in 2017 due to a change in address. Ms. Grimes stated that Ms. Koppa provided the original check. After discussion, the Board concurred to reissue the check in the amount of \$22.70.

Ms. Grimes reviewed the District's fund balances. Discussion ensued regarding increasing the balance in the District's money market operating account. Ms. Grimes noted that approximately \$125,000 in capital improvement projects were paid from the money market operating account and that funds can be transferred from the District's reserve capital improvements account to reimburse the operating account. Following discussion, the Board directed Ms. Grimes to transfer approximately \$125,000 from the District's reserve capital improvements account to the money market operations account.

Ms. Grimes reported on the invoices to the PAC Dance Studio to cover annexation related expenses, including survey costs and preparation of the consent to encroachment. She noted that the PAC Dance Studio has depleted their deposit and currently owes the District \$3,008.06. Discussion ensued regarding future expenses related to the PAC Dance Studio and the Board concurred to request an additional deposit once the final engineering and legal invoices are received.

Ms. Grimes reported that no directors have registered for the Association of Water Board Directors 2020 mid-winter conference.

Following review and discussion, Director Lahasky moved to approve the bookkeeper's report and payment of the bills. Director Austin seconded the motion, which passed by unanimous vote.

## 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 99.57% of the District's 2018 taxes had been collected as of July 31, 2019. Ms. Cruthirds reported that the District's certified value for 2019 is \$634,519,540.

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

## 2019 TAX RATE

There was no discussion on this item.

## DISTRICT PARK MATTERS

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

Ms. Lee reported on the Gleannloch Forest Sidewalk Improvements. She reviewed a cost estimate totaling \$95,000 for construction of five foot sidewalks on both sides of Gleannloch Forest Drive. The Board concurred to install sidewalks on both sides of Gleannloch Forest Drive, and request that the proposed sidewalks be added to the parks surplus funds application. Ms. Lee stated she will present a design proposal for the sidewalk project at the next meeting.

Ms. Lee discussed the Water Plant No. 2 fence replacement. She stated that bids for the project will be received the week of August 15th.

After review and discussion, and based on the recommendation of the landscape architect, Director Lahasky moved to approve the landscape architect report. Director Austin seconded the motion, which passed by unanimous vote.

## GARBAGE AND RECYCLING MATTERS

Discussion ensued regarding the District's garbage and recycling services. After inquiry from the Board, Ms. Leighton stated that Best Trash's garbage collectors will be directed to pick up recycling from any container bearing the recycling symbol or labeled "recycling." Director McEnroe requested Best Trash provide a proposal for 65-gallon garbage carts when it is time to renew the contract. Discussion ensued regarding the e-recycling event scheduled for October 19.

## 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 96.6% and requested Board authorization to write off one delinquent account in the amount of \$9.25 and send it to a collection agency.

The Board discussed notification to residential customers regarding potential leaks and the cost of delivering leak door tags. Director McEnroe stated that he will review the leak data and coordinate with Accurate and Badger to streamline the data. The Board directed MOC to suspend hanging leak door tags pending Board receipt of streamlined leak detection information.

The Board reviewed the golf course's usage of treated effluent from the regional wastewater treatment plant and requested that Mr. Shelnutt include the golf course's monthly effluent usage in future operator's reports.

Mr. Shelnutt reviewed Phase 2 smoke testing repairs with the Board. He stated that MOC has scheduled smoke testing for Phase 3.

Discussion ensued regarding PAC Dance Studio construction and issues that arose with resident notification of the work. The Board directed that on construction and operations projects involving temporary interruption of water service to district residents, MOC provide advance notice to the Board, include the names of the affected streets on resident door tags and only notify those residents affected by the water loss, and undertake the work late at night where possible to minimize the impact of the temporary water loss on residents.

After discussion, Director Jacob moved to approve the operator's report. Director Lahasky seconded the motion, which passed 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 Jacob 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 Lahasky and passed by unanimous vote.

#### SMART METER MATTERS

Director McEnroe updated the Board regarding installation of smart meters, noting that all meters are now installed.

Mr. Wissel recommended that the Board approve Pay Estimate No. 5 and Final in the amount of \$15,285.66, submitted by Accurate, subject to MOC confirmation of work completed. Mr. Wissel further recommended the Board approve final payment to Accurate of retainage in the amount of \$92,329.16, subject to final inspection and completion of any punch list items. Following review and discussion, and based upon the engineer's recommendation, Director Jacob moved to (1) approve Pay Estimate No. 5 and Final, in the amount of \$15,285.66, to Accurate, subject to MOC confirmation of work completed; and (2) approve final payment to Accurate of retainage in the amount of

\$92,329.16, subject to final inspection and completion of any punch list items. Director McEnroe seconded the motion, which passed by unanimous vote.

### ENGINEERING MATTERS

Mr. Wissel reviewed the engineer's report, a copy of which is attached.

Ms. Harrington stated that she has submitted the cost request to North Harris County Regional Water Authority and is awaiting a response from their attorney.

Mr. Wissel updated the Board on the Gleannloch Forest Drive expansion project, as detailed in the engineer's report. He reported that notice to proceed was issued June 17, with a 60-day construction completion date of August 15. He then reported on areas of the new road that have cracked due to the saw cut control joints not being cut to the proper depth. He stated that Harris County is reviewing the matter and will likely require the contractor to remove and replace the concrete panels at issue.

Mr. Wissel updated the Board on the re-coating of ground storage tank no. 1 stating that the project is complete and A&H Coating Services has received final payment. Mr. Shelnutt reported that the tank is operational.

Mr. Wissel reported that the no motorized vehicle signs produced by SignTex have been installed. He stated that the previously approved payment to SignTex in the amount of \$1,050 has been released.

Mr. Wissel recommended the Board approve final payment to AAAC Wildlife in the amount of \$1,200 for the nutria removal, noting that nutria removal by AAAC Wildlife is ongoing and additional nutria may be trapped.

Following review and discussion, and based upon the engineer's recommendation, Director Jacob moved to (1) approve the engineer's report; and (2) approve final payment to AAAC Wildlife in the amount of \$1,200 for nutria removal. Director McEnroe seconded the motion, which passed by unanimous vote.

Mr. Wissel informed the Board that the District received a resident request for an elevation map of Gleannloch Farms. He stated that the District does not maintain such maps. Discussion ensued and the Board directed ABHR to inform the resident that the District has no documents responsive to the request.

### ANNEXATION MATTERS

Ms. Harrington presented an Order Adding Land to annex the 2,000-acre tract of land owned by PAC Dance Studio into the District. She next presented an Amendment to Information Form, noting that the Amendment to Information Form will be filed with Harris County and the Texas Commission on Environmental Quality. Following review

and discussion, Director Jacob moved to (1) adopt the Order Adding Land; (2) authorize execution and filing of the Amendment to Information Form; and (3) direct that the Order Adding Land and Amendment to Information Form be filed appropriately and retained in the District's official records. Director Lahasky 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.

Mr. Yeager reported that the channels have been fertilized and mowing occurred twice during the past month.

Mr. Yeager recommended the Board authorize Double Eagle to desilt Segment C from Northpointe Blvd. to the Grand Parkway.

Mr. Yeager reported on the repair work that Harris County Flood Control District has undertaken on portions of the District's channel, stating that the work is almost complete.

Following review and discussion, Director Lahasky moved to authorize Double Eagle to desilt Segment C from Northpointe Blvd. to the Grand Parkway. Director Austin seconded the motion, which carried unanimously.

WIRELESS SPRINKLER IRRIGATION CONTROLS

There was no discussion on this agenda item.

ATTORNEY'S REPORT

AUTHORIZE EXECUTION OF LETTER AGREEMENT WITH GLEANNLOCH FARMS COMMUNITY ASSOCIATION ("GFCA") FOR DISTRICT CONTRIBUTION TOWARDS ELIGIBLE PROJECTS/COSTS

There was no action taken on this item.

REAPPROVE MASTER AMENITIES DONATION AND MAINTENANCE AGREEMENT

Ms. Harrington reported that the Master Amenities Donation and Maintenance Agreement has been updated and finalized. She reviewed the map and chart of facilities included in the Agreement and requested the Board approve the updated Agreement. Discussion ensued regarding maintenance of the Lakes at Gleannloch detention ponds, and the Board concurred to have GFCA start

maintaining the ponds effective September 1 and directed Ms. Grimes not to pay any future Hou-Scape invoices for the work since GFCA will now be maintaining the ponds. Following review and discussion, Director Lahasky moved to approve the updated Master Amenities Donation and Maintenance Agreement between the District, Harris County Municipal Utility District No. 383, and the GFCA. Director Austin seconded the motion, which carried unanimously.

ACTION LIST

The Board reviewed the action list.

DISTRICT WEBSITE MATTERS

The Board reviewed a monthly report from Touchstone, a copy of which is attached. Discussion ensued regarding the importance of Touchstone improving its communications with the Board. The Board directed Touchstone to send the monthly communications report to the Board prior to the regular meeting.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT MATTERS

Director Jacob updated the Board on the recent meeting with residents regarding Sotherloch Lake maintenance issues and options. The Board authorized Director Jacob to continue attending GFCA meetings regarding Sotherloch Lake and report back to the Board.

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



A handwritten signature in cursive script, appearing to read "Austin", is written over a horizontal line.

Secretary, Board of Directors