

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

November 15, 2012

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 15th day of November, 2012, 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
Megan Bradley	Vice President
Alan Silverman	Secretary
Vacant	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present.

Also present at the meeting were Kristen Scott of Bob Leared Interests, Inc.; Shirley McLennan of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Jeff McClellan, District resident; Michael Murr of Murr Incorporated; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

APPOINT NEW DIRECTOR AND APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

The Board considered approving the Sworn Statement, Oath of Office, and Official Bond required in conjunction with the appointment of Jeff McClellan to the Board position vacated by Mike Vandewater. Director Silverman moved to (1) appoint Jeff McClellan to fill the Board position vacated by Mike Vandewater; (2) approve the Sworn Statement, Oath of Office, and Official Bond for Jeff McClellan; (3) authorize that the Oath of Office and Official Bond be filed with the Secretary of State; and (4) authorize that the Sworn Statement, Oath of Office, and Official Bond be filed and retained in the District's official records. Director Bradley seconded the motion, which passed unanimously.

Ms. Vinson distributed and reviewed a memorandum from ABHR regarding the Texas Open Meetings Act Requirements, a copy of which is attached. She stated that each elected public official must complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551. Ms. Vinson stated that training must be completed within 90 days of taking the Oath of Office.

Ms. Vinson stated that a director must disclose if he has a current business relationship with any contractor or consultant doing business with the District if that relationship results in either gifts (other than entertainment) in excess of \$250 or taxable income to the Director or his immediate family in excess of \$2,500.

REORGANIZE THE BOARD AND EXECUTION OF DISTRICT REGISTRATION FORM

The Board next considered reorganization of the Board. Upon a motion by Director Silverman and a second by Director Bradley, the Board voted unanimously that Board members retain their current offices with Director McClellan assuming the vacant office of Assistant Secretary and to authorize execution and submission of the District Registration Form to the Texas Commission on Environmental Quality ("TCEQ") to reflect the newly appointed Director.

CONSENT AGENDA

Director Myers offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. The Board concurred to remove agenda item no. 10 from the consent agenda for discussion. Director Silverman moved to approve all remaining items on the consent agenda. Director Bland seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

There was no public comment.

OPERATOR'S REPORT AND ADDITIONAL OPERATING MATTERS

Mr. Bare reported two lift pumps requiring repair, cleaning of the chlorine contact basin, and repair of the fence at the wastewater treatment plant following a break in. Upon a motion by Director Silverman and a second by Director Bland, the Board voted unanimously to approve the operator's report and authorize the repair expenditures discussed.

Mr. Bare discussed the recent trespass at the wastewater treatment plant, copper thefts at area wastewater treatment plants, and options for securing all District plants.

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 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 Bland seconded the motion, which carried unanimously. A copy of the termination list is attached.

ADDITIONAL ENGINEERING MATTERS

Mr. Burke reported on the evaluation of tank no. 1 at water plant no. 1 by Preventative Services, LP showed pitting on the floor of tank no. 1. He said he asked Gemini Services to apply some temporary patching and topcoat to secure tank no. 1 for the winter months until SEC advertises for bids for repairs following inspection of tank no. 2.

Mr. Burke updated the Board on the status of installation of fiber optic cable by Harris County down Spring-Cypress Road and the status of Texas Department of Transportation ("TXDOT") improvements to US Highway 290 at Barker Cypress Road.

The Board next discussed permit and maintenance transfer of the storm sceptors in The Park at Arbordale. Following review of a proposal from Storm Water Solutions, LP for maintenance and transfer of the storm sceptors in The Park at Arbordale, the Board requested that Mr. Burke provide additional information at the December regular Board meeting. Mr. Coleman reported estimated amounts to be submitted to the District for reimbursement.

ADDITIONAL BOOKKEEPING AND TAX ASSESSMENT AND COLLECTION MATTERS

The Board reviewed a delinquent tax report from Perdue Brandon Fielder Collins & Mott, LLP.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr reviewed 4 proposals for crack repair on District trails and recommended that the Board award the bid to Murphey Asphalt and Concrete Paving. The Board concurred to defer approving the services contract for crack repair until the December 11, 2012 special meeting and requested that ABHR get a copy of Harris County Municipal Utility District No. 364's ("No. 364") contract for pavement repair to compare pricing. Mr. Murr also discussed removal of two dead pine trees at the wastewater treatment plant on Jarvis Road. Following discussion, Director Silverman moved to approve a proposal from Silversand Services, LLC in the amount of \$1,200 to remove two dead trees at the wastewater treatment plant and attach the proposal as an Exhibit to the District's Master Services Agreement with Silversand Services, LLC. The motion, which was seconded by Director Bradley, passed unanimously.

The Board also discussed email requests received from Brittany King of Banefield Pet Hospital and Kelsey Richardson, on behalf of Cy-Fair Independent School District, to use the District trails for organized events. Following discussion, the Board concurred to authorize ABHR to notify Ms. King and Ms. Richardson that the trails are public facilities and not available for any exclusive use and that the Board has no objection to the public use of the trails for an organized event, but requested that both organizations provide a certificate of liability insurance liability naming the District as an additional insured.

Mr. Murr updated the Board on the installation of birdhouses on the nature trail, revision of the District's recreational grant proposal, and a meeting scheduled for Tuesday to review grading and irrigation of the soccer field.

ATTORNEY REPORT

Ms. Vinson and Director Silverman updated the Board on the last consolidation committee meeting, the progress of due diligence reviews by the District and No. 364, and the December 5, 2012, consolidation committee meeting with No. 364. Director Silverman moved to appoint Megan Bradley to replace him on the consolidation committee. Director Bland seconded the motion which passed unanimously.

Ms. Vinson updated the Board regarding the private sanitary sewer line running through the commercial section of Coles Crossing and status of the District's acquisition of the sanitary sewer line and easements and said the developer is assessing the necessity of the conveyance. Ms. McLennan said the District has invoiced the developer for an additional \$5,000 deposit to cover pending invoices.

DECEMBER REGULAR AND SPECIAL MEETING AGENDAS

The Board concurred to hold a special meeting in the District on December 11, 2012, at 7:00 p.m. and a regular meeting on December 20, 2012, at 11:00 a.m. in the offices of ABHR.

EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.076, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, AND TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES

The Board determined it was unnecessary to meet in executive session.

There being no additional business to consider, the meeting was adjourned.

(SEAL)


Secretary, Board of Directors

