

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 19, 2013

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 19th day of December, 2013, 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
Jeff McClellan	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present, except Director Myers, thus constituting a quorum.

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"); Sherrie Greenwood of BKD, LLP; Claudine Pacioni, District resident; Michael Murr of Murr, Inc.; Chris Burke of Sander Engineering Corp.; Alia Vinson, Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

CONSENT AGENDA

Director Bradley offered Board members and consultants the opportunity to remove items from the consent agenda for individual discussion. Director Bland 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.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Scott reviewed with the Board an uncollectable accounts report for personal property, a copy of which is attached to these minutes, and recommended that the Board authorize the tax assessor collector to write off these accounts as uncollectable. Upon a motion by Director McClellan and a second by Director Bland, the Board voted unanimously to authorize the tax assessor collector to write off these accounts as uncollectable.

ATTORNEY REPORT

Mr. Burke and Ms. Vinson updated the Board on discussions with the developer of a proposed daycare along U.S. Highway 290 frontage and said the developer of the daycare has been advised of construction and financing requirements to relocate a District waterline. Ms. Vinson then presented a Development Financing Agreement between Barker Crossing CLA Partners, Ltd. and the District. Following review and discussion, upon a motion by Director McClellan and a second by Director Bland, the Board voted unanimously to approve a Development Financing Agreement between Barker Crossing CLA Partners, Ltd. and the District.

ADDITIONAL BOOKKEEPING MATTERS, INCLUDING TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Ms. McLennan noted that a check from the North Harris County Regional Water Authority for the District's groundwater credits was received.

Ms. Vinson discussed with the Board the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Dallas. Upon a motion by Director Bland and a second by Director McClellan, the Board voted unanimously that a director attending the conference would be eligible for three per diems and two nights' hotel stay, and reimbursement for reasonable and necessary meals.

SECURITY MATTERS AND HARRIS COUNTY DEPUTY CONTRACT

Ms. Vinson updated the Board on the status of its renewal agreement with Harris County for security services.

ADDITIONAL OPERATING MATTERS AND RESOLUTION APPROVAL SUBMITTAL OF WATER SMART APPLICATION

Mr. Bare updated the Board on the valve exercise and surveys performed and repair of deficiencies identified.

Mr. Bare also submitted a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Program.

Following review and discussion, Director Bland moved to (1) approve the District operator's report; and (2) approve a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors

Water Smart Program. Director McClellan seconded the motion which passed unanimously.

TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS

The Board then considered delinquent accounts for utility services and concurred to defer acting upon delinquent accounts until January 2014. A copy of the delinquent account list is attached.

RECYCLING SERVICES

There was no discussion for this agenda item.

ADDITIONAL ENGINEERING MATTERS

Mr. Burke presented for signature contracts from MK Painting for repair of corrosion at water plant no. 1.

Mr. Burke next reported that Governor Perry has lifted the statewide order regarding drought contingency measures due to drought in Harris County. Following review and discussion, Director Bland moved to lift imposition of any drought contingency measures, but continue with water conservation messages in the water billing. The motion, which was seconded by Director McClellan, passed unanimously.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr updated the Board on pending detention area improvements and soccer field rehabilitation. Discussion ensued regarding ongoing maintenance of the soccer field, including irrigation meters. Following discussion, the Board concurred to request that Mr. Murr prepare specifications and costs for maintenance, including irrigation meters.

Mr. Murr next reviewed a quote of \$4,200 plus tax from Houston Landscape Services for installation of forty 15-gallon trees along the top bank of the regional detention pond. Mr. Murr also noted that trees may require additional pruning this year due to the effect of ongoing drought on trees.

Upon a motion by Director McClellan and a second by Director Silverman, the Board voted unanimously to authorize installation of thirty-eight 15-gallon trees and requested that an item to approve a Services Agreement with Houston Landscape Services be placed on the January special meeting agenda.

JANUARY REGULAR, SPECIAL AND JOINT MEETING AGENDAS, AND LOCATIONS

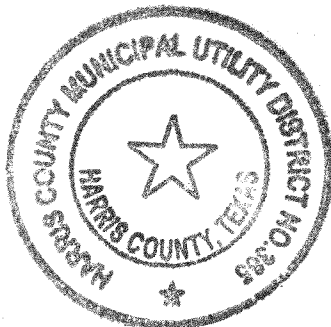
The Board concurred to hold a regular meeting on January 16, 2014, and the District's special in-District meeting on January 14, 2014. The Board also discussed cancelling the quarterly joint meeting previously calendared for the first Monday of the quarter.

AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2013

Ms. Greenwood reviewed a draft audit of the District's funds, including joint facility funds, for the fiscal year ending August 31, 2013, a copy of which is attached to these minutes. Upon a motion made by Director Silverman, seconded by Director Bland, the Board voted unanimously to approve the audit and management letter, subject to final review and comments.

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

(SEAL)




Secretary, Board of Directors

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