

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

January 16, 2014

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 16th day of January, 2014, 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 Robin Goines of Bob Leared Interests, Inc.; Shirley McLennan of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Chris Burke of Sander Engineering Corp. ("SEC"); 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 Silverman then moved to approve all 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.

2014 DIRECTORS ELECTION

Ms. Carner said Section 31.122 of the Texas Election Code (the "Code") requires the Secretary of the elected Board of Directors to keep his office open for election duties for at least three hours each day, during regular office hours, on regular business days during the period beginning not later than the 50th day before the election and ending not earlier than the 40th day after the election. Ms. Carner noted that the law was amended to allow an agent of the District to serve as the District's agent for election purposes. Following review and discussion, Director Silverman moved to adopt a Resolution Designating an Agent of the Secretary of the Board and to appoint Jane H. Miller as the agent of the Board and to authorize posting of Notice of same at Harris

County and in the District. Director Bland seconded the motion, which passed unanimously.

Ms. Carner said that the Notice of Candidate Filing Period will be posted in the District and recommended that the Board authorize posting of same on the District website. The Board concurred to post the notice on the District website and in the District.

The Board next considered use of electronic voting systems and Ms. Carner noted that recent legislation exempts districts from use of electronic voting machines when less than 250 voters voted at the most recent directors election.

The Board discussed the rate of pay for election officials. After discussion, Director Silverman moved that the Board set the pay for election officials at \$12 per hour and claim an exemption from use of electronic voting systems. Director Bland seconded the motion, which carried by unanimous vote.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Vinson discussed ABHR billing rates with the Board. The Board requested ABHR email current billing rates to the Board for review.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

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 and presented for review and approval an Interlocal Agreement with Harris County, Texas for security patrol services. Following discussion, Director McClellan moved to approve an Interlocal Agreement with Harris County, Texas for security patrol services. Director Silverman seconded the motion which passed unanimously.

RECYCLING SERVICES

There was no discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

Mr. Bare reported on the status of his review of repairs identified during a recent valve exercise and survey with Director Myers.

TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS

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

ADDITIONAL ENGINEERING MATTERS

Mr. Burke reviewed a historical account of repairs and maintenance for water well no. 2 and discussed possible causes of damage/wear to the column pipe and options for repair of same, including cathodic protection. Mr. Burke said the cause of the damage is being evaluated. Mr. Burke confirmed that the District insurance carrier has been placed on notice and a claim for damage has been filed. He also confirmed that Ross Crawford, director in Harris County Municipal District No. 364 ("No. 364") and No. 364's engineer have been notified. Following review and discussion, Director Bland moved to (i) authorize SEC to conduct down hole testing for an amount not to exceed \$15,000 to investigate the cause of the damage and to notify No. 364's district engineer of same, (ii) approve a proposal from LBG-Guyton Associates to further investigate the cause of the damage, (iii) authorize advertisement for repair of water well no. 2, and (iv) authorize SEC to coordinate with Director Bradley and copy Director Myers regarding the proposed repairs. Director McClellan seconded the motion, which passed unanimously. The Board requested that ABHR formally notify No. 364 of the emergency repairs and requested that SEC discuss with Northwest Harris County Municipal Utility District No. 10 possible use of the emergency interconnect.

Mr. Burke also requested the Board consider rate increase for SEC at the next Board meeting.

Mr. Burke updated the Board on commercial development in the District.

ATTORNEY REPORT

There was no additional discussion for this agenda item.

FEBRUARY REGULAR AND SPECIAL

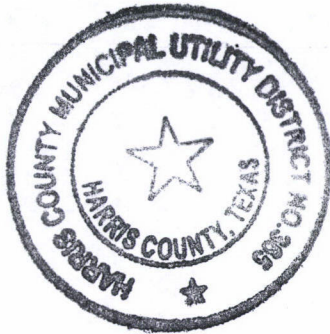
The Board concurred to hold a regular meeting on February 20, 2014, and the District's special in-District meeting on February 18, 2014.

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



Secretary, Board of Directors

(SEAL)



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