

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

February 20, 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 20th day of February, 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 Bland, thus constituting a quorum.

Also present at the meeting were Kristin Scott 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 Myers 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 McClellan 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 reported the District is required to call the 2014 Directors Election by February 28, 2014. She presented an Order Calling Directors Election. Following review and discussion, Director Silverman moved to approve the Order Calling Directors Election and authorize posting of a Notice of Election and providing it to the Harris County Clerk and Voter Registrar, if necessary. The motion, which was seconded by Director Bradley, passed unanimously.

ADDITIONAL BOOKKEEPING MATTERS

Director Silverman discussed the Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Bradley moved to approve the reimbursement of eligible expenses to the directors who attended the winter conference and authorize any interested director to attend the AWBD summer conference. Director McClellan seconded the motion, which carried unanimously.

The Board reviewed the District's Investment Policy adopted February 16, 2012, to determine if any amendments were necessary. After discussion, the Board determined no amendment was necessary. Upon a motion made by Director Silverman, seconded by Director Bradley, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Scott discussed with the Board fees charged by Comerica Bank and recommended that the Board consider authorizing her to close accounts at Comerica Bank and transfer to Wells Fargo Bank.

After review and discussion, upon a motion by Director Silverman and a second by Director Bradley, the Board voted unanimously to authorize the District tax assessor collector close accounts at Comerica Bank and transfer tax deposits to Wells Fargo Bank.

SECURITY MATTERS

Director Bradley reported regarding District security patrol by the Harris County Sheriff's Department.

RECYCLING SERVICES

Director Bradley reported regarding District recycling efforts, participation and service.

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. Discussed ensued regarding previous valve repairs completed in the District.

The Board also discussed amending the District Rate Order to address residential irrigation connections. Following review and discussion, the Board concurred to defer

discussion to review the current Rate Order. Director McClellan requested data on the residential irrigation meters in the District.

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

ADDITIONAL ENGINEERING MATTERS

Mr. Burke first discussed pending floor repairs and coatings at water plant no. 1 and said the contractor is delayed finishing other jobs.

Mr. Burke discussed ongoing issues at water well no. 2 and a proposal from Corpro in the amount of \$7,000 for an analysis of existing condition of water well no. 2, water chemistry and column and pipe materials and field surveying. Mr. Burke said the proposal of \$7,000 falls within the amount of \$15,000 previously approved by the Board at the January meeting to investigate the cause of the damage at water well no. 2. Mr. Bare said the District's insurance carrier has been placed on notice.

Mr. Burke updated the Board on preparation of plans for relocation of a waterline to accommodate a proposed daycare along U.S. Highway 290 frontage and requested authorization to solicit bids for relocation of same, subject to the terms of a development financing agreement. Following review and discussion, Director Silverman moved to authorize the District engineer to solicit bids for construction of a waterline to serve a proposed daycare along U.S. Highway 290 frontage. Director McClellan seconded the motion, which passed unanimously. Mr. Burke said easements for the waterline would be discussed at the March meeting.

Mr. Burke also requested the Board consider a rate increase proposal for SEC. Upon a motion by Director Silverman and a second by Director Bradley, the Board voted unanimously to approve SEC's rate increase.

ATTORNEY REPORT

Ms. Vinson updated the Board on the status of conveyance of a private sanitary sewer line through commercial property adjacent to Highway 290. Discussion ensued.

ANNUAL REPORT

Ms. Vinson reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. Following review and discussion, Director Silverman moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Bradley seconded the motion, which passed by a vote of 3 to 0, with Director Myers being absent from the vote.

Ms. Vinson reported regarding the District's Post-Issuance Compliance Policy and said that ABHR is not recommending any changes to the District's current policy.

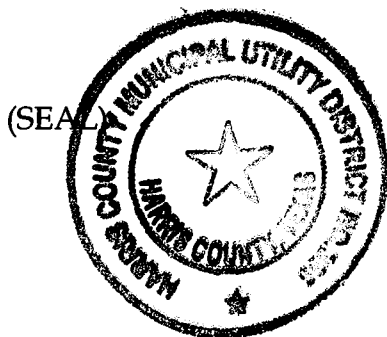
MARCH REGULAR AND SPECIAL

The Board concurred to cancel the special meeting for March, 2014 and hold a regular meeting on March 27, 2014.

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



Secretary, Board of Directors



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