

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 19, 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 19th day of June, 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 Silverman, thus constituting a quorum.

Also present at the meeting were Kristin Scott of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Chris Burke of Sander Engineering Corp. ("SEC"); Greg Lentz of First Southwest Company; 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 Bland then moved to approve all items on the consent agenda. Director Bradley seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2014, AND AMENDMENT OF INFORMATION FORM

Mr. Lentz updated the Board on the District's Series 2014 Refunding Bond Issue. Ms. Vinson said no action was necessary with regard to the District's Information Form.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Lutz discussed budgeted revenue and reviewed a draft budget for the fiscal year ending August 31, 2015. Following review and discussion, Director Bradley moved to authorize the District bookkeeper to send the draft budget for the fiscal year

ending August 31, 2015 to Harris County Municipal Utility District No. 364 ("No. 364") for review. Director McClellan seconded the motion, which passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Scott reviewed 2014 preliminary ad valorem tax values. Ms. Scott then reviewed with the Board delinquent tax accounts and recommended the Board authorize the District's delinquent tax attorney to proceed with collection of delinquent taxes, including additional penalties after July 1. Following review and discussion, Director McClellan moved to authorize the District's delinquent tax attorney to proceed with collection of delinquent taxes. Director Bradley seconded the motion, which passed unanimously.

RENEWAL OF INSURANCE

The Board discussed expiration of District insurance policies and requested that ABHR solicit proposals.

ADDITIONAL OPERATING MATTERS

Mr. Bare presented an email from a homeowner on High Point Manor requesting repair of his fence damaged by a tree fallen from District property. The Board requested the homeowner submit an invoice for repair, for the Board's consideration.

Mr. Bare also updated the Board on effluent testing at the Dry Clean Super Center and said there have been no violations since May, 2013.

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 Bradley 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 updated the Board on the status of Change Order No. 1 to the contract with MK Painting, Inc. The Board took no action on this matter.

Mr. Burke next updated the Board on repair of the column and pump at water well no. 2, and reviewed a letter from the contractor Layne Christensen Company, reporting issues with getting pipe materials from the supplier/manufacturer. Following discussion, Director Myers requested Mr. Burke contact supply companies directly and to communicate to No. 364 that the District will implement Stage 1 of the District's Drought Contingency Plan.

Mr. Burke updated the Board on relocation of a waterline to accommodate a proposed daycare along U.S. Highway 290 frontage, and discussed easements and abandonments necessary to complete construction. Ms. Vinson confirmed ABHR has received metes and bounds descriptions for the conveyances and abandonments, and will prepare easements and abandonments for the Board's review. Discussion ensued regarding developer advances made and pending for the waterline relocation.

Following review and discussion, Director Bradley moved (1) to authorize ABHR to send notice of intent to terminate the District's contract with Layne Christensen Company; and (2) implement Stage 1 of the District's Drought Contingency Plan, provide a mass message alert to residents, post signs in the District and place notice in the utility billing. The motion, which was seconded by Director Bland, passed unanimously.

ATTORNEY REPORT

There was no discussion for this agenda item.

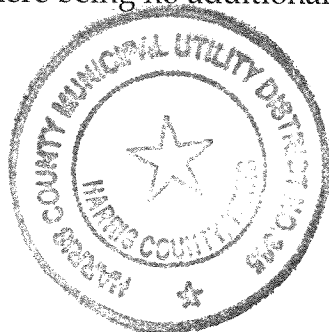
JULY REGULAR AND SPECIAL

The Board concurred to hold a regular meeting on July 17, 2014 and discussed possibly scheduling a joint meeting with No. 364 on July 30, 2014.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONSULT WITH ATTORNEY REGARDING SWWC SERVICES, INC., AND ANY DAMAGE INCURRED BY THE DISTRICT

The Board determined it was not necessary to convene in executive session.

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



(SEAL)


Secretary, Board of Directors

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