

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 18, 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 18th day of September, 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.; Shirley McLennan of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Chris Burke of Sander Engineering Corp. ("SEC"); Claudine Pacioni, District resident; Alia Vinson, Katie Carner, Teshia Judkins, Emily Lassetter 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 McClellan seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

ADDITIONAL BOOKKEEPING MATTERS

Ms. McLennan noted that the bookkeeping report includes a fiscal year end budget actual to budgeted numbers comparison.

ADDITIONAL OPERATING MATTERS

There was no additional discussion for this agenda item.

Mr. Bare presented an invoice from a homeowner on Far Point Manor requesting repair of his fence. Following review and discussion, the Board took no action and

concluded to authorize ABHR to notify the homeowner that the Board's did not approve the reimbursement request.

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

LETTER OF CREDIT AGREEMENT WITH COMPASS BANK

Ms. Vinson next reviewed a Letter of Credit Agreement with BBVA Compass Bank and said BBVA Compass is requesting to collateralize the District's funds with letters of credit from Federal Home Loan Bank. Following review and discussion, Director Bradley moved to approve a Letter of Credit Agreement between the District and BBVA Compass Bank for an unlimited face amount. The motion was seconded by Director McClellan and passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Lentz distributed a written tax rate analysis, a copy of which is attached. After all discussion, upon a motion made by Director Bradley and seconded by Director Bland, the Board unanimously authorized the tax assessor to publish notice in the Cypress Mirror of a public hearing on October 16, 2014, regarding the District's proposed adoption of a total tax rate of \$0.495 per \$100 of valuation, comprised of a \$0.325 debt service component and a \$0.17 operation and maintenance component and authorize posting of the notice on the District website.

ADDITIONAL ENGINEERING MATTERS

Mr. Burke and Mr. Bare next updated the Board on repair of the column and pump at water well no. 2, and the District's pending insurance claim for same.

Discussion ensued regarding inquiry from Harris County Municipal Utility District No. 364 ("No. 364") regarding available capacity in the joint water facilities and the status of SEC analysis of joint facilities capacity, including influent testing.

Mr. Burke updated the Board on relocation of a waterline to accommodate a proposed daycare along U.S. Highway 290 frontage, and Ms. Vinson updated the Board on the conveyance of easements necessary to serve the tract.

Mr. Burke also discussed plans, permits and utility requests made for commercial tracts.

ATTORNEY REPORT

Ms. Vinson updated the Board on pending conveyance of a private commercial sanitary sewer line, including inspection of the line. Mr. Bare said the estimated cost to inspect the line is \$6,200. Following review and discussion, the Board concurred to request ABHR contact the attorney for Canyonlands Corporation requesting an additional deposit of \$10,000 to cover inspection of the line proposed for conveyance and to cover any other incidental fees associated with finalizing conveyance of the line. The Board also concurred to request that ABHR notify Canyonlands Corporation that the District will require consent of the property owners to conduct inspection of the line.

OCTOBER REGULAR AND SPECIAL

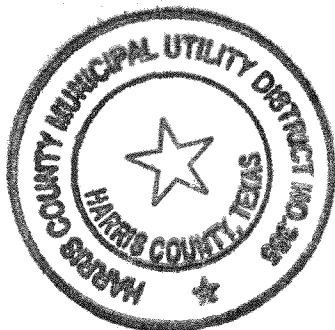
The Board discussed agenda items for the October special and regular meetings.

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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