

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 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 October, 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 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; Teshia Judkins 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 McClellan seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

Ms. Judkins distributed and reviewed with the Board a memorandum prepared by ABHR concerning the Securities and Exchange Commission Enforcement Division's Municipalities Continuing Disclosure Cooperation Initiative, a copy of which is attached. Ms. Judkins also reviewed the District's annual continuing disclosure process with the Board, and noted that ABHR has overseen that process pursuant to its engagement with the District. After review and discussion, the Board concurred that no action was necessary.

ADDITIONAL BOOKKEEPING MATTERS

The Board discussed amending the budget for the fiscal year ending August 31, 2015 to include maintenance tax revenue for the fiscal year. Upon a motion by Director Silverman and a second by Director McClellan, the Board voted unanimously to amend the budget for the fiscal year ending August 31, 2015, as discussed.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

The Board opened the public hearing on the District's proposed tax levy. Ms. Scott confirmed that notice of the proposed levy had been published. There being no public comment, the Board then closed the public hearing and considered an Order Levying Taxes, reflecting a tax rate of \$0.495 per \$100 valuation consisting of \$0.325 for debt service and \$0.17 for operations and maintenance. Upon a motion made by Director Bland and seconded by Director McClellan, the Board unanimously voted to adopt the Order Levying Taxes as presented.

Ms. Judkins also reviewed the District's proposed Amendment to Information Form to reflect the District's 2014 tax rate. After discussion, Director Bland moved to approve the Amendment to Information Form and filing it with the Texas Commission on Environmental Quality ("TCEQ") and in the Harris County Deed Records. Director McClellan seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

Mr. Bare updated the Board on repair of the bar screen at the wastewater treatment plant and a pending insurance claim for same. He also requested authorization to purchase 100 tons of crushed concrete for the wastewater treatment plant drive for an estimated \$5,000. Following review and discussion, Director Silverman moved to authorize SI to purchase crushed concrete for an amount not to exceed \$5,000. Director McClellan seconded the motion, which passed unanimously.

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 and Mr. Bare updated the Board on coating and repairs at water plant no. 1.

Mr. Burke also discussed SEC's water and sanitary sewer analyses in response to inquiry from Harris County Municipal Utility District No. 364 ("No. 364") regarding available capacity in the joint water facilities and said revised analyses will be forwarded to No. 364's engineer, as discussed.

Mr. Burke updated the Board on relocation of a waterline to accommodate a proposed daycare along U.S. Highway 290 frontage, presented two bids and recommended the Board award the contract to the lowest qualified bidder, Schultz Construction Co., in the amount of \$64,600. After review and discussion, and because it would result in the best and most economical completion of the project, Director Silverman moved to approve the award of the contract to Schultz Construction Co., subject to review of payment and performance bonds and verification of insurance and developer funding. Director McClellan seconded the motion which passed unanimously.

ATTORNEY REPORT

The Board next considered engaging Omnicap, LLC to conduct a final arbitrage rebate study for the District's Series 2005 Bonds which were retired at the last refunding. Following review and discussion, Director Silverman moved to engage Omnicap, LLC to conduct a final arbitrage rebate study for the District's Series 2005 Bonds. Director McClellan seconded the motion which passed by a vote of 4 to 1, with Director Bland voting against the motion.

NOVEMBER REGULAR AND SPECIAL

The Board discussed agenda items for the November 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

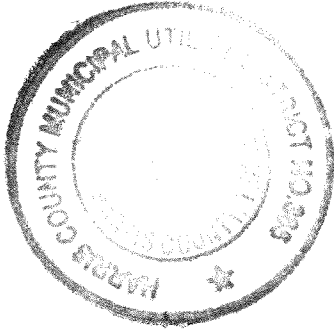
The Board determined it was not necessary to convene in executive session.

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



Secretary, Board of Directors

(SEAL)



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