

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 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 18<sup>th</sup> day of December, 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 McClellan, thus constituting a quorum.

Also present at the meeting were Sherri Greenwood of BKD, Inc.; Kristen Scott of Bob Leared Interests, Inc.; Shirley McLennan of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Clayton Clark, District resident; Chris Burke of Sander Engineering Corp. ("SEC"); Teshia Judkins, Alia Vinson 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 Bradley seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2014

Ms. Greenwood reviewed a draft audit of the District's funds, including joint facility funds, for the fiscal year ending August 31, 2014, a copy of which is attached to these minutes. Upon a motion made by Director Silverman, seconded by Director Bradley, the Board voted unanimously to approve the audit and management letter, subject to final review and comments.

ADDITIONAL BOOKKEEPING MATTERS, INCLUDING TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Ms. Judkins discussed with the Board the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Austin. Upon a motion by Director Bradley and a second by Director Silverman, the Board voted unanimously that a director attending the conference would be eligible for three per diems and two nights' hotel stay, and reimbursement for reasonable and necessary meals.

Ms. McLennan reported the addition of handwritten check no. 3399 in the amount of \$39,600 to MK Painting for Pay Estimate No. 2.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Scott said she canvassed the District and updated the District business listings with the City of Houston.

ADDITIONAL OPERATING MATTERS

Mr. Bare updated the Board on the exercising of valves within the District. Mr. Bare then requested renewal of the District's service agreement with Waste Management for the container at the wastewater treatment plant for \$109.64 per month. Following review and discussion, Director Silverman moved to approve renewal of the agreement for the container at the wastewater treatment plant for \$109.64 per month. The motion, which was seconded by Director Bradley, passed unanimously.

TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS

Director Silverman moved to defer action to terminate utility service to delinquent accounts until January, 2015. Director Bradley seconded the motion, which passed unanimously. A copy of the termination list is attached.

AMEND RATE ORDER

The Board next discussed amending the Rate Order to include an administrative review process for irrigation meters. There was no action on this item.

RECREATIONAL AND LANDSCAPE FACILITIES CONTINUED

Mr. Murr reviewed with the Board a progress report, a copy of which is attached to these minutes.

Mr. Murr discussed the status of sign installation along trails and Director Bradley discussed the status of proposed Eagle Scout projects previously presented to the Board.

Mr. Murr discussed the condition of the recreational fields.

Mr. Murr also discussed repairs of trail asphalt and water fountains.

#### ADDITIONAL ENGINEERING MATTERS

Mr. Clark discussed plans to develop a commercial car wash in Harris County Municipal Utility District No. 364 ("No. 364") and water and wastewater capacity needed for development of same.

Mr. Burke and Mr. Bare updated the Board on coating and repairs at Water Plant No. 1 and Mr. Burke recommended the Board approve Pay Estimate No. 2 in the amount of \$39,600, payable to MK Painting, Inc.

Mr. Burke also discussed SEC's water and sanitary sewer analyses in response to No. 364's request for additional capacity in the joint facilities. Following review and discussion, the Board requested that ABHR send a letter to No. 364 initiating a meeting between the District's and No. 364's attorneys, engineers, and operators to discuss No. 364's capacity request.

#### PREVAILING WAGE RATE

The Board next considered a resolution adopting the prevailing wage rates previously adopted and utilized by the City of Houston and Harris County, Texas for public work projects. Following review and discussion, upon a motion by Director Silverman and a second by Director Bradley, the Board voted 3 to 0 to approve a Resolution Adopting Prevailing Wage Rate, with Director Bland abstaining from voting.

#### ATTORNEY REPORT

Ms. Vinson stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require the District to comply with certain continuing disclosure requirements for its bonds. Ms. Vinson explained that the Board of Directors is ultimately responsible for continuing disclosure compliance for its bonds with assistance by its consultants. She added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, ABHR recommends such procedures (the "Procedures") be adopted in writing by the Board of Directors. Ms. Vinson reviewed the Order Adopting Procedures for Continuing

Disclosure Compliance with the Board of Directors. Following review and discussion, Director Silverman moved to adopt the Order Adopting Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Bradley seconded the motion, which passed by unanimous vote. A copy of the Procedures is attached.

SECURITY REPORT

There was no discussion for this agenda item.

RECYCLING SERVICES

There was no discussion for this agenda item.

PUBLIC COMMUNICATIONS

There was no discussion for this agenda item.

EMERGENCY MASS MESSAGING

There was no discussion for this agenda item.

JANUARY REGULAR, JOINT AND SPECIAL AND JOINT CALENDARS

The Board discussed agenda items for the January 15, 2015 regular meeting and January 20, 2015 special meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

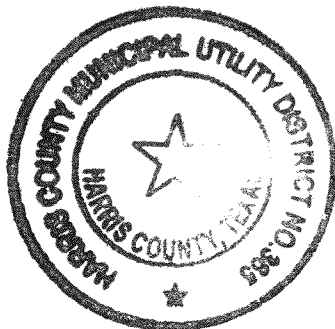
The Board determined it was not necessary to convene in executive session.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

Minutes  
Page

engineer's report.....1  
operator's report.....1  
tax assessor/collector report .....1  
draft audit for fiscal year ending August 31, 2014 .....1  
termination list .....2  
procedures for continuing disclosure compliance .....3