

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

May 19, 2016

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 May, 2016, 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 Patty Rodriguez of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); and Jessica Holoubek, Whitney Ables, Jennifer Ramirez 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 McClellan then moved to approve all items on the consent agenda. Director Silverman seconded the motion, which passed by unanimous vote. Copies of all documents approved as part of the consent agenda are attached.

PUBLIC COMMENT

There was no public comment.

2016 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Joe Myers, Alan Robert Silverman and Paul Bland to the Board of Directors of the District each for a four-year term.

Ms. Holoubek next reviewed the Sworn Statements, Oaths of Office, and Official Bonds for Directors Myers, Silverman and Bland.

After review and discussion, Director McClellan moved to (1) approve the Certificate of Election and the distribution of same to Directors Myers, Silverman and Bland, and direct that the Certificate of Election be filed appropriately and retained in the District's official records; and (2) approve the Sworn Statements, Official Bonds and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Silverman seconded the motion, which passed by unanimous vote.

The Board made no changes to the Board's organization.

The Board then considered authorizing filing an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director McClellan made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Silverman seconded the motion, which passed by unanimous vote.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING

Ms. Holoubek stated State Law requires each elected public official to complete a course of training regarding responsibilities of the governmental body under the Texas Open Meetings Act, Chapter 551 within 90 days of taking the oath of office. No action was necessary for this agenda item.

CONFLICT OF INTEREST DISCLOSURE

Ms. Holoubek stated a Director must disclose if he has a current business relationship with any contractor or consultant doing business with the District if that relationship results in either gifts (as defined in the Law) in excess of \$100 or taxable income of \$2,500 or more to the Director or his immediate family, or if he has a family relationship with a District vendor. She stated disclosure forms must be filed in such cases. No action was necessary for this agenda item.

ADDITIONAL BOOKKEEPING MATTERS

Ms. Lutz presented additional handwritten check no. 4141 in the amount of \$3,398 to The Harris-Galveston Subsidence District for Water Smart kits for Sampson Elementary.

The Board discussed the upcoming Association of Water Board Directors ("AWBD") summer conference. After discussion, Director Silverman moved to (1) authorize reimbursement of costs for a maximum of 4 per diems, 3 hotel nights and 2 meals per day for all directors who attend the AWBD summer conference, noting that

meal reimbursements must meet the requirements of the Travel Reimbursement Guidelines; and (2) approve check no. 4141 in the amount of \$3,398 to The Harris-Galveston Subsidence District for Water Smart kits for Sampson Elementary. The motion was seconded by Director McClellan, and passed unanimously.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

Mr. Bare provided a draft Consumer Confidence Report ("CCR") to the Board and said the CCR must be mailed to District customers by July 1.

Ms. Holoubek presented and reviewed the District's Critical Load List and explained that the District is required to file the list annually with Harris County and state agencies. Ms. Holoubek said that the District engineer, operator and bookkeeper have reviewed the revised Critical Load List and verified that the information is accurate.

Discussion ensued regarding irrigation water use during recent heavy rain/flooding events and the Board requested Si provide water use information for irrigation meters in the District and that ABHR place an item on the June meeting agenda to discuss amendment of the District's Rate Order.

Following review and discussion, Director Silverman moved to (1) approve the Critical Load list and authorize ABHR to file same with appropriate local and State agencies; (2) approve the CCR and authorize SI to mail it to District customers by July 1, 2016 and posting of the updated CCR on the District's website; and (3) authorize the District operator to make a leak adjustment to the water bill for the customer at 16334 Dexter Point Drive, as requested, and pursuant to the District's Leak Adjustment Policy. The motion was seconded by Director McClellan and passed unanimously.

Mr. Bare distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program"). He noted that SI is required to prepare an annual report as Program Administrator. Mr. Bare stated the annual report indicates no significant incidents of Identity Theft detection and recommends no changes to the Program at this time.

HEARING ON TERMINATION OF WATER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

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. Miller first discussed a proposal pending with Storm Water Solutions, LLP to regrade and re-establish flow in the commercial ditch and discussion ensued regarding options for disposal of soil/silt.

Mr. Miller next discussed proposed improvements in the detention pond area, including a proposed dog park and a maintenance ramp, and discussed a pending survey proposal with line items for a proposed dog park area, a maintenance ramp area and the entire detention pond. Following discussion, Director Silverman moved to authorize up to the amount of the most expensive survey of the 3 surveys discussed and appoint Director Myers to coordinate with SEC regarding the surveys necessary to complete the work approved by the Board.

Mr. Miller next updated the Board regarding Harris County Municipal Utility District No. 364's ("No. 364") proposed expansion of the District's joint water and wastewater facilities and said preliminary engineering reports for the wastewater treatment plant and water plant no. 2 are underway.

Mr. Miller and Ms. Holoubek discussed a capacity commitment request received to serve a warehouse development on Spring Cypress Road.

Mr. Bare updated the Board regarding previous vibration and brass shaving issues with well no. 2 and said Layne Christensen Company pulled the pump in well no. 2 and will make an emergency repair estimated at \$70,000.

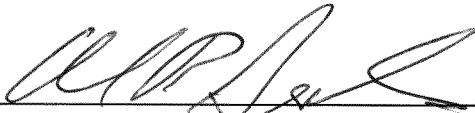
ATTORNEY REPORT

There was no additional discussion for this agenda item.

JUNE 2016 REGULAR AND SPECIAL AGENDAS

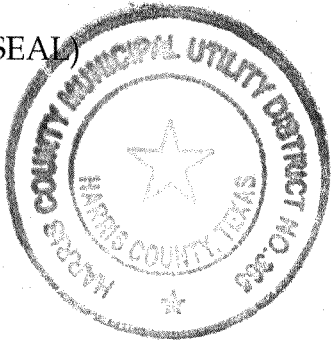
The Board discussed meeting on the following dates in June, 2016: June 7, 2016 special meeting and June 16, 2016 regular meeting.

There being no further business brought before the Board, and based on a motion made by Director Silverman and seconded by Director Bland, the Board voted unanimously to adjourn the meeting.



Secretary, Board of Directors

(SEAL)



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