

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 15, 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 15th day of September, 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.

Also present at the meeting were Patty Rodriguez and Odette McMullen of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare and Kyle Melgrin of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Greg Lentz of FirstSouthwest, a Division of Hilltop Securities; and Jessica Holoubek, Whitney Ables 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.

PUBLIC COMMENT

There was no public comment.

ADDITIONAL BOOKKEEPING MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

ADDITIONAL OPERATING MATTERS

Mr. Bare also presented a request for a leak adjustment from District customer, Lori Williams. Following review of information provided by the customer and the District operator, Director Silverman moved to authorize adjustment of the customer's utility bill pursuant to the District's Leak Adjustment Policy. The motion was seconded by Director Bradley and passed unanimously.

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.

AMEND DISTRICT RATE ORDER

There was no additional discussion for this agenda item.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller first updated the Board regarding review of the preliminary engineering report ("PER") for the proposed water plant no. 2 expansion, which proposes additional booster pumps, and the status of preparation of an updated elevated storage tank waiver application.

Mr. Miller next updated the Board regarding repair of sinkholes that developed on the Greenwood Manor trail circle north of the detention pond and said weather has delayed the contractor.

Discussed ensued regarding reimbursements available through the North Harris County Regional Water Authority for construction of an effluent reuse system, application requirements and updating plans previously prepared by SEC.

Mr. Miller next discussed a request for out of District service from Mark Martinez. The Board took no action on this request.

Discussion ensued regarding costs to install and monitor automated meters.

DEVELOPER REIMBURSEMENT REPORT

Ms. Holoubek updated the Board regarding the developer's request for reimbursement and said receipts have not yet been provided to the District auditor. The Board took no action on this agenda item.

2016 TAX RATE

Mr. Lentz distributed a written tax rate analysis, a copy of which is attached. Discussion ensued regarding the proposed joint facilities expansion and the financial impact on the District's projected budget for both capital and maintenance and operational cost participation. After all discussion, upon a motion made by Director Bland and seconded by Director Bradley, the Board unanimously authorized the tax assessor to publish notice in the Cypress Creek Mirror of a public hearing on October 20, 2016, regarding the District's proposed adoption of a total tax rate of \$0.480 per \$100 of valuation, comprised of a \$0.285 debt service component and a \$0.195 operation and maintenance component and authorize posting of the notice on the District website.

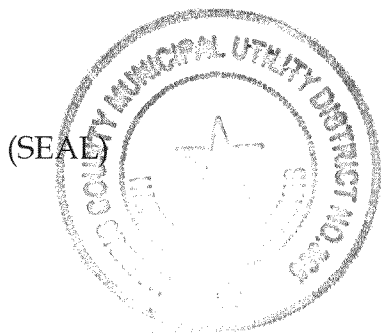
ATTORNEY REPORT

Ms. Holoubek said that Harris County Municipal Utility District No. 364 ("No. 364") has agreed to share in the cost for application for waiver of elevated storage requirement.

OCTOBER 2016 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in October, 2016: October 18, 2016 special meeting and October 20, 2016 regular meeting.

There being no further business brought before the Board, the meeting was adjourned.



[Signature]
Asst. Secretary, Board of Directors

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