

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 20, 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 20th day of October, 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 Silverman, thus constituting a quorum.

Also present at the meeting were Patty Rodriguez and Odette McMullen of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Erik Miller of Sander Engineering Corp. ("SEC"); Sherri Greenwood of BKD, Inc.; 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 McClellan then moved to approve all items on the consent agenda. Director Bland 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

Ms. Lutz discussed invoicing Harris County Municipal Utility District No. 364 ("No. 364") for No. 364's share of invoices associated with the Preliminary Engineering Report for proposed expansion of joint water facilities.

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

Director Myers opened the public hearing on the District's proposed tax levy. Ms. Rodriguez confirmed that notice of the proposed levy had been published. There being no public comment, Director Myers then closed the public hearing, and the Board considered an Order Levying Taxes, reflecting 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. Following discussion, upon a motion made by Director Bradley and seconded by Director Bland, the Board unanimously voted to adopt the Order Levying Taxes as presented.

Ms. Holoubek then reviewed an Amendment to Information Form reflecting the District's 2016 tax rate. After discussion, Director Bradley moved to approve the Amendment to Information Form and direct that it be filed with the Texas Commission on Environmental Quality ("TCEQ") and in the Harris County Deed Records. Director Bland seconded the motion, which passed by unanimous vote.

ADDITIONAL OPERATING MATTERS

There was no additional discussion for this agenda item.

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 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 Bland seconded the motion, which carried unanimously.

AMEND DISTRICT RATE ORDER

There was no additional discussion for this agenda item and the Board concurred to remove further discussion from future agendas at this time.

ADDITIONAL ENGINEERING MATTERS

Discussion ensued regarding remaining issues to resolve in order to finalize the preliminary engineering report ("PER") for the proposed water plant no. 2 expansion, which proposes additional booster pumps and includes preparation of an updated elevated storage tank waiver application.

The Board also discussed final permit numbers for proposed expansion of the wastewater treatment plant and possible future costs for capacity. Discussion ensued regarding organic loading and total volume and options to improve flow. Following discussion, the Board requested that SEC's wastewater engineer attend the November special Board meeting to discuss further.

The Board next discussed repair of sinkholes that developed on the Greenwood Manor trail circle north of the detention pond and options to correct grade issues, address safety issues and minimize future erosion. Discussion ensued regarding installing a manhole drop at the same time the proposed trail maintenance ramp is constructed. Following discussion, the Board concurred to request that the contractor remove the track hoe from the construction site and request that Michael Murr coordinate repairs and restore landscaping and irrigation in resident yards.

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.

DEVELOPER REIMBURSEMENT REPORT

Ms. Greenwood reviewed a developer reimbursement report for relocation of waterlines prefunded by Canyonlands Corporation. Following review and discussion, Director Bradley moved to approve the developer reimbursement report and authorize disbursement of the amount identified in the report to Canyonlands Corporation pursuant to the District's financing agreement with Canyonlands Corporation. The motion was seconded by Director McClellan and passed unanimously.

ATTORNEY REPORT

There was no additional discussion for this agenda item.

NOVEMBER 2016 REGULAR AND SPECIAL AGENDAS

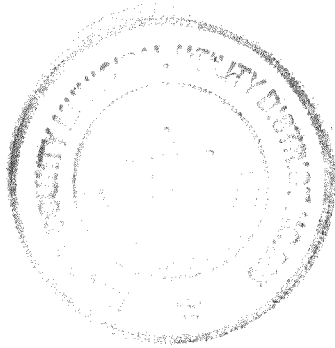
The Board discussed meeting on the following dates in November, 2016: November 15, 2016 special meeting and November 17, 2016 regular meeting.

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



Secretary, Board of Directors

(SEAL)



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