

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 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 December, 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 Directors Myers and McClellan; thus constituting a quorum.

Also present at the meeting were Odette McMullen of Bob Leared Interests, Inc.; Mary Lutz of McLennan & Associates; Brian Bare of Si Environmental, LLC ("SI"); Sherri Greenwood of BKD, Inc.; Erik Miller of Sander Engineering Corp. ("SEC"); and 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 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, INCLUDING TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Ms. Lutz confirmed deposit of sales tax funds received from the City of Houston pursuant to the District's Strategic Partnership Agreement and said the deposit will be noted on the January 2017 bookkeeping report.

Ms. Lutz reported an overdraft of the funds on deposit to cover expenses associated with the preliminary engineering report ("PER") for the proposed wastewater treatment plant expansion. Following review and discussion, upon a motion by Director Silverman and a second by Director Bland, the Board voted unanimously to authorize ABHR to send a letter to Harris County Municipal Utility District No. 364 ("No. 364") requesting an additional deposit of \$10,000 to cover the overdraft and any additional work authorized.

Ms. Ables discussed with the Board the District's Travel Reimbursement Guidelines with respect to the upcoming Association of Water Board Directors winter conference in Galveston. Upon a motion by Director Bland 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.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There was no additional discussion for this agenda item.

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. The Board took no action regarding termination of utility service to delinquent accounts.

ADDITIONAL ENGINEERING MATTERS

Mr. Miller updated the Board regarding pending comments from No. 364 to the PERs for proposed water plant no. 2 expansion and proposed expansion of the wastewater treatment plant. He also provided an update on design of the proposed reclaimed water system and dog park.

AUDIT FOR THE FISCAL YEAR ENDING AUGUST 31, 2016

Ms. Greenwood reviewed a draft audit of the District's funds, including joint facility funds, for the fiscal year ending August 31, 2016, a copy of which is attached to these minutes. Upon a motion made by Director Silverman, seconded by Director Bland, the Board voted unanimously to approve the audit and management letter, subject to final review and comments.

ATTORNEY REPORT

There was no additional discussion for this agenda item.

Ms. Ables 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. Ables 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, the District adopted an Order Adopting Procedures for Continuing Disclosure Compliance and is required to review procedures for Continuing Disclosure Compliance annually.

JANUARY 2017 REGULAR AND SPECIAL AGENDAS

The Board discussed meeting on the following dates in January, 2017: January 17, 2017, special meeting and January 19, 2017, regular meeting.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

bookkeeper's report	1
tax assessor/collector report	1
operator's report.....	1
engineer's report.....	1
draft audit for fiscal year ending August 31, 2016	3