

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

April 8, 2009

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 365 (the "District") met in special session, open to the public, on the 8th day of April, 2009, at the Information Center, 13050 Barker Cypress Road, Cypress, Texas, and the roll was called of the members of the Board:

Joe Myers	President
Megan Bradley	Vice President
Alan Silverman	Assistant Vice President
Matthew Lund	Secretary
Michael Vandewater	Assistant Secretary

and all of the above were present.

Also present at the meeting were Alan Beard, Vince DeAngelis, David Brunnert, Ross Crawford and Dale Trevino, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Robin Bobbitt of Johnson, Radcliffe, Petrov & Bobbitt PLLC; Chris Burke of Sander Engineering Corporation ("SEC"); Gary Struzik and Steve Stacey with Klotz & Associates, Inc. ("Klotz"); Michael Murr of Murr Incorporated; Rick Haddock and Bill Sweitzer of Sweitzer & Associates; Nicole McCarthy; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP.

JOINT FACILITIES OPERATIONS AND FINANCES

Mr. Burke reported on the pitting on the floor of ground storage tank no. 2 at water plant no. 2 and said that he suspects that ground storage tank no. 1 has similar corrosion issues. The Board and No. 364 discussed tank inspections by the operator and 5-year inspections of the tank interior and requested that the contracts of the engineers and operators be reviewed to determine who is responsible for which inspections. Mr. Burke recommended that the District and No. 364 consider installing cathodic protection. Mr. Struzik recommended a more aggressive maintenance program. Mr. Burke said that he is still working on a proposal for the repairs and non-destructive testing.

Mr. Burke next reported that he had just received the reimbursement contracts from Harris County for the relocation of waterline and right-of-way adjustments along Spring Cypress Road.

The Board and No. 364 next discussed options for extending fuel supply for auxiliary power during power outage events. Mr. Burke said that he and the operator

are working to determine which facilities are necessary and which can be shut down during a power outage event to extend fuel supply.

Mr. Burke next discussed the wastewater treatment plant. He said that the cracks in the concrete drive are not structural and do not warrant repouring of the concrete unless displacement occurs. He added that the drive was under warranty. He also reported that the previous leaks in the basins had been epoxied and that the leaks, at present, have stopped. Director Myers reported that the fallen trees on the perimeter fence had been removed, but that the Board had not decided to clear any trees from the buffer.

Director Myers discussed a request by the operator to prune the area around the power drop and hydro-pneumatic tank at water plant number 2. He said that he anticipates an expense of \$6,000 for the pruning.

COLES CROSSING JOGGING TRAIL IMPROVEMENTS

Mr. Haddock reviewed with the Board and No. 364 details of the proposed design for No. 364's trail project and requested the District's approval of the plans for improvements within the public recreational easement, as required by the easement terms. Mr. Haddock said that the connector piece by the lift station will involve removing some of the concrete panel fence and placement of a bollard to provide access to the sidewalk next to the swim center. The Board and No. 364 discussed access to the tractor gate. Mr. Haddock also discussed an improved mix with more elasticity for the trail base intended to avoid the cracking that has occurred in the existing trails. Mr. Haddock also said that Harris County requires that the trail be at grade, tilting to a 2% slope to back swale to ensure that no flow reaches the ditch. Director Myers said that the Board would further review the plans at its special meeting on April 9, 2009.

SIDEWALK AT SWIM CENTER

Director Bradley next discussed with No. 364 the progress of construction of the sidewalk next to the swim center and invited No. 364 to contribute, if interested, to the costs of construction. She added that the swim team is contributing to the expense.

MAINTENANCE OF STORMWATER CHANNEL FACILITIES, INCLUDING SILT FENCING

Mr. Burke discussed with the Board and No. 364 an estimate of \$36,000 to repair the channels in areas where deconstruction and/or siltation has occurred. He said that he anticipates additional costs to haul away silt. Mr. Burke suggested that the repairs be completed prior to the construction of No. 364's trail. The Board and No. 364 discussed access to the channels to complete the proposed repairs. Mr. Crawford requested that the final repair proposal be forwarded to him for review.

Mr. Burke also stated that the frequency of mowing in these areas has been reduced.

REVIEW AND DISCUSS WATER PLANT CAPACITY ANALYSIS AND PROPOSED RECALCULATION OF CAPACITY, AND TAKE ANY NECESSARY ACTIONS ON SAME

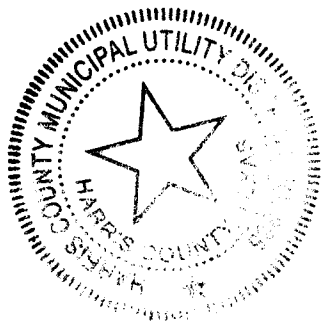
Mr. Struzik provided the Board with a preliminary water system capacity analysis. Director Myers and Mr. Struzik discussed the use of minimum criteria required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Struzik also recommended that the Board consider and use data compiled by the operator. Mr. Trevino said that No. 364 wanted to conduct a stress test during the summer months and do a full system pressure analysis.

DISCUSS JOINT EFFORTS TO REDUCE COLES CROSSING COMMUNITY IMPROVEMENT ASSOCIATION, INC.'S WATER USAGE

Director Myers said that he calculated the HOA's irrigation usage at an average of 8.5% of the community's total usage. He said that he would discuss the usage with Don Richards. Director Bradley said that some of the new landscaping is drought friendly and that the HOA should be able to scale back watering.

There being no further business to come before the Board, Director Silverman moved to adjourn the meeting. The motion was seconded by Director Lund and passed unanimously.

(SEAL)



Secretary, Board of Directors