

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 9, 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 9th day of December, 2009, at 13050 Barker Cypress Road, Cypress, Texas 77429, inside 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	Assistant Vice President
Matthew Lund	Secretary
Michael Vandewater	Assistant Secretary

and all of the above were present, except Director Bradley, thus constituting a quorum.

Also present at the meeting were Alan Beard, Vince DeAnglis, and Dale Trevino, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Mark Loyd and Philippe Sontero of Silversand Services ("Silversand"); Jennifer Petras and Ron Lake of Planned Community Management, Inc.; Jan Rickmers, Don Richards, Drew Avery and David Marlow of Coles Crossing Community Association, Inc. ("CCCAI"); Michael Murr of Murr Incorporated; and Jane Miller of Allen Boone Humphries Robinson LLP.

DISCUSS COST OF MODIFICATION TO THE IRRIGATION SYSTEM AND POSSIBLE WATER CONSERVATION AND/OR MANAGEMENT TO REDUCE WATER USAGE

Mr. Richards distributed proposals showing irrigation modification work completed by Silversand for CCCAI, pricing for completed work, and calculated annual water savings following modification. A copy of the proposals is attached to these minutes. Upon inquiry by Director Silverman, Mr. Richards said that installation of drip systems poses maintenance issues in flower beds where color rotations occur frequently. Upon inquiry by Director Silverman, Ms. Rickmers said that the drips/bubblers for trees are expensive and that the trees are well established and no longer require additional watering. Mr. Richards said that Water Logic systems are in use in many of the irrigated bed areas and that Water Logic systems could be more heavily utilized in the irrigated turf areas if the beds and turf area meters are separated.

Director Myers discussed the current water rates for irrigation, a fee increase to be imposed by the North Harris County Regional Water Authority ("NHCRWA") in 2010, the current cost to operate and maintain the District's water system and the average monthly residential water use during summer months. Mr. Sontero said that the modifications, including minimizing water that falls on sidewalks and overwatering

that occurred during the summer of 2009, will relieve some of the stress on the wells during the summer months. Director Myers said that the District is actively addressing an irrigation analysis with Mr. Murr to address how to best utilize the current irrigation system by identifying what should be watered and for what lengths of time.

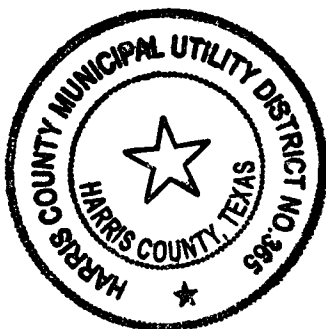
Messrs. Loyd and Sontero discussed technological/efficiency advances made in irrigation systems and current placement of rotors and heads for maximum efficacy. No. 364 and CCCAI discussed priority areas for new landscaping.

Following discussion, Mr. Marlow requested that the District pay half of the cost for irrigation modifications done within the boundaries of the District. Mr. Marlow reported that these irrigation modifications consisted of projects located at the following intersections (within the public rights-of-way): (1) Coles Crossing Drive and Greenwood Manor (four corners); (2) Coles Crossing Drive and Montaigne Lane (four corners); and (3) Greenwood Manor and Destrehan Drive (two corners). Mr. Marlow said that issues in the most obvious problem areas were addressed, but that Silversand will continue to identify issues that may be addressed in CCCAI's next budget cycle. Ms. Rickmers said that the District's analysis would be helpful in making a determination on what areas should be modified next. Upon a motion by Director Vandewater and a second by Director Lund, the Board voted unanimously to approve payment of the full amount of the invoice submitted by Silversand for the public rights-of-way beautification projects, consisting of the three irrigation modification projects specified above.

Mr. Murr reported regarding the District's proposed reuse program and application to the Texas Commission on Environmental Quality and proposed issues/areas to be investigated and reported in his irrigation analysis for the District. The Board, Mr. Murr and No. 364 discussed landscape design alternatives.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Silversand proposals.....1