

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

April 14, 2010

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 14th day of April, 2010, 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 DeAnglis, Ross Crawford and Dale Trevino, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Jon Polley of Johnson, Radcliffe, Petrov & Bobbitt PLLC; Chris Burke of Sander Engineering Corporation ("SEC"); Steve Stacey with Klotz & Associates, Inc. ("Klotz"); Michael Murr of Murr Incorporated; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP.

JOINT FACILITIES OPERATIONS AND FINANCES

Mr. Burke said that SEC currently has two bids for the installation of cathodic protection to four ground storage tanks at water plant no. 2 and is expecting a third bid. He continued that the previously repaired leak on ground storage tank no. 2 is sealed and holding. The Board and Mr. Crawford discussed deterioration patterns inside ground storage tank no. 1 and reports regarding the presence of iron fixing bacteria in the Evangeline aquifer. Mr. Crawford discussed blasting the tank floors and applying an epoxy surface as an alternative to cathodic protection. Director Myers requested that Mr. Burke work with the District's operator to pull a water sample from the ground storage tanks at water plant no. 2 to determine whether any iron fixing bacteria is present.

MAINTENANCE OF STORMWATER CHANNEL FACILITIES

The Board and No. 364 discussed suspending mowing of the channel facilities until the close of wildflower season, the fertilizing and reseeding. Mr. Burke reported that he requested a price from Seaback to reseed two acres along the channel.

LOWERING OF WATER WELLS NOS. 1 AND 2

Mr. Burke reported that the contractor will install the pump for well no. 1 next week and place well no. 1 back online in 10 days. He said that both wells should be online by June 1, 2010. Mr. Burke explained that the capacity of well no. 1 could not be increased beyond 1,100 gallons per minute ("gpm") and that the maximum gpm in well no. 2 could be increased to 1,200 gpm by installing a 300 horsepower motor for an additional \$35,000.

WATER CAPACITY AND REUSE, INCLUDING FIRE STORAGE REGULATIONS

Mr. Burke explained the District's current fire insurance rating and said that the rating is determined by data from within the entire emergency service district area and that added flow will not improve the District's current fire insurance rating. He then reported the storage requirements for an additional 300,000 gallons per day (above peak day usage) that would be needed for a fire flow component.

Mr. Burke then reported regarding the District's water reuse permit from the Texas Commission on Environmental Quality. Director Myers said that the District is ready to proceed with a cost feasibility analysis and needs to determine the size of the District's project based upon participation interest from other potential users, including No. 364. The Board and No. 364 discussed No. 364's level of interest in participating. The Board and No. 364 also discussed the North Harris County Regional Water Authority's ("NHCRWA") schedule for delivery of surface water. The Board of Directors of No. 364 agreed to further discuss this matter at its April workshop meeting.

DROUGHT AND WATER CONSERVATION MEASURES

Director Myers reported that the Board will meet on April 22, 2010, in a special workshop meeting to discuss amending the Rate Order and the Drought Contingency Plan.

TRAIL IMPROVEMENT/CONTINUATION REPORTS

The Board, Mr. Murr, and No. 364 discussed the status of construction of the District's Phase III project and No. 364's trail project, including grading, hydro mulching, sealants, fencing, signage, landscaping, additional available fill and the District's green parking area on Jarvis Road.

POSSIBLE CONSOLIDATION OF DISTRICT AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364

The Board and No. 364 discussed current and projected tax rates for the District and No. 364, the necessary debt service tax rates if the districts consolidated, and the effects of consolidation on the districts' debt and operating costs.

IRIS ALERT COMMUNITY MESSAGING SYSTEM

Director Myers discussed the District's Licensing Agreement with Tech Radium for use of the Iris Alert community messaging system.

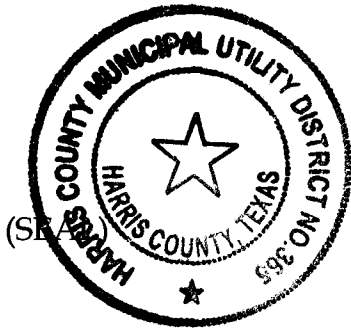
CONTRACT FOR ADDITIONAL SECURITY HOURS

Director Myers discussed contracting with Officer Ana Ortiz for additional security hours immediately before and after school pending receipt of a proposal from Officer Ortiz.

RESIDENTIAL IRRIGATION ANALYSIS

Mr. Murr reported on proposals received from Paul Tomlin and Wise Guys for residential water audits and rain sensors.

There being no further business to come before the Board, the Board concurred to adjourn.




Secretary, Board of Directors