

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

April 22, 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 22nd day of April, 2010, at 16314 Madewood Street, 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.

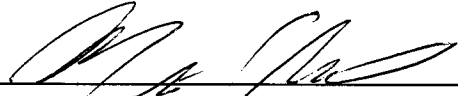
Also present at the meeting were Brian Bare of SWWC Services, Inc. ("SWWC"); Diane Fingleman of McLennan & Associates; Deaver Bradley, a resident of the District; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

DROUGHT CONTINGENCY PLAN AND RATE ORDER

The Board reviewed the District's current Rate Order, a rate analysis of all District connections, a five year comparative schedule of revenues and expenditures, a worksheet showing revenues for water and surface water revenue compared to purchased water expense, a worksheet showing sewer revenue compared to expense, operating budget information, and current District and SWWC charges for inspection services, taps, and fees to turn service both on and off. The Board discussed the projected debt service and maintenance tax rates and expected District expenses. The Board then discussed various water and sewer rate scenarios and the current losses sustained by the District for certain inspection and service fees. Following discussion, the Board requested that ABHR prepare a draft Rate Order modified to encourage water conservation and eliminate the losses currently sustained by the District for certain inspections and service fees. The Board requested that McLennan & Associates analyze the draft Rate Order's impact on revenues and expenses for discussion at the Board's special meeting in May.

The Board agreed to defer discussion of the Drought Contingency Plan and to schedule a special workshop meeting to discuss amending the Drought Contingency Plan.

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


Secretary, Board of Directors

