

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

August 12, 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 12th day of August, 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 Chris Burke of Sander Engineering Corporation ("SEC"); Michael Murr of Murr, Inc.; Don Richards, District resident; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

SECURITY REPORT

Ms. Vinson distributed patrol information received from Harris County for the month of July, a copy of which is attached, and Director Myers commented regarding recent patrol visibility. No Board action was taken.

TRAIL CONTINUATION, PHASE III AND TRAIL MAINTENANCE

Mr. Murr reported on the overall status of construction of the Phase III trail continuation (the "Project"), and specific areas of the Project currently under construction. He suggested purchasing 250 trees to repopulate the green parking area along Jarvis Road. The Board requested a proposal to plant the trees and to install irrigation.

Director Bradley reported on general maintenance issues assigned to Association Repairs, including graffiti on fencing near the bridge, repainting two arms of the large hinged swing gates at the end of the track and repair of a drinking fountain leak at the bridge. Upon inquiry by Director Lund, Mr. Murr said that he would get a proposal

from Silversand Services, LLC to clean the overgrowth along the concrete fence on Jarvis Road.

SERVICES AGREEMENT FOR TRAIL MAINTENANCE

Ms. Vinson reviewed a draft trail maintenance agreement with Silversand Services, LLC. Upon a motion by Director Bradley and a second by Director Lund, the Board voted unanimously to authorize execution of the agreement, subject to receipt of an acceptable certificate of liability insurance.

Mr. Murr also presented a supplemental services proposal from Silversand Services, LLC in the amount of \$6,500 for 75 cubic yards of crushed granite for the northern part of the granite trail. Upon a motion by Director Bradley and a second by Director Lund, the Board voted unanimously to approve the supplemental services proposal in the amount of \$6,500, subject to the terms of the trail maintenance agreement and verification of actual amounts of material installed.

SERVICES AGREEMENT WITH WISE GUYS FOR RESIDENTIAL IRRIGATION ANALYSIS

Ms. Vinson reviewed a services agreement with Vepo, LLC and said that an acceptable certificate of insurance has been received. Ms. Vinson noted that the agreement is for irrigation system evaluations only, not the purchase or installation of rain sensors. Upon a motion by Director Bradley and a second by Director Silverman, the Board voted unanimously to authorize execution of the agreement.

The Board discussed how to notify District residents of the irrigation system evaluations. Director Bradley agreed to draft a letter to the residents for the Board's consideration at the regular August meeting.

USE OF TRAILS BY WILDCATS RIGHT AFTER PROM ("WRAP")

The Board discussed a 5K and 10K run benefitting WRAP on October 30 from Cy Woods High School through the joint trail system. Ms. Vinson reported that the WRAP organizers offered to name the District as an additional insured and provide a waiver of subrogation. The Board concurred that WRAP should be requested to name the District as an additional insured and provide a waiver of subrogation.

POLICY FOR USE OF DETENTION AREAS

The Board reviewed a draft policy for use of the District's detention area. No Board action was taken.

SPLASH PAD

There was no discussion on this agenda item.

UPDATE ON COORDINATION WITH HARRIS COUNTY PRECINCT 3 ("PRECINCT 3") FOR LANDSCAPING, SIDEWALK AND TRAIL PROJECT

Ms. Vinson reported that correspondence had been sent on behalf of the District to Precinct 3 notifying Precinct 3 of the Board's consent to the construction of a sidewalk partially over the District's waterline located along the Barker Cypress right-of-way line.

PROPOSAL FOR DEVELOPING SPORTS FIELDS

Mr. Murr said that he is preparing a proposal to develop the sports fields.

PUBLIC SPACE IRRIGATION ANALYSIS

Mr. Murr said that he is revising the public space irrigation analysis and will discuss the revised analysis at the Board's joint meeting with Harris County Municipal Utility District No. 364 ("No. 364") in October. Director Myers requested that the Crossing Community Association ("CCCAI") be notified of the next joint meeting date.

DISTRICT EMERGENCY PREPAREDNESS

There was no discussion on this agenda item.

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

No Board action was taken.

RECYCLING SERVICES REPORT

No Board action was taken.

POLICY FOR LEAK ADJUSTMENT CREDIT

The Board considered a leak adjustment credit policy for certain types of water leaks. Upon a motion by Director Silverman and a second by Director Bradley, the Board adopted a Resolution Adopting Policy and Procedure for Leak Adjustment Credits, by a vote of three to two, with Directors Myers and Lund voting against.

NOTICE OF DISTRICT COMMUNITY EVENTS, INCLUDING IRIS ALERT MESSAGE SYSTEM, AND DISTRICT MESSAGE BOARD

The Board discussed data submitted to Tech Radium for database input and CCCAI's interest in updating the neighborhood message board.

ENGINEER'S REPORT

The Board reviewed a written engineer's report submitted by SEC on the status of various projects in the District as follows in these minutes. A copy of the engineer's report is attached.

STORMWATER CHANNEL MAINTENANCE

Mr. Burke presented an invoice from Seaback Maintenance ("Seaback") for June, 2010, for mowing.

SPRING CYPRESS ROAD PROJECT REIMBURSEMENT

Mr. Burke reported that SEC has submitted invoices to Harris County for reimbursement of the eligible costs associated with relocation of the joint waterline along Spring-Cypress Road.

JARVIS ROAD WIDENING, INCLUDING AGREEMENT TO PROVIDE DETENTION CAPACITY, LANDSCAPING AND SIDEWALK PROJECT, AND ACCESS EASEMENT WITH HARRIS COUNTY (THE "COUNTY")

Mr. Burke updated the Board regarding revision of the drainage analysis prepared by the County.

UTILITY COMMITMENT REQUESTS

Mr. Burke reported that no utility commitment requests were received during the month of July. No Board action was taken.

PUMP LOWERING PROJECT AT WATER WELL NOS. 1 AND 2

Mr. Burke reviewed current water production data and discussed the lowering of well no. 2 in the fall of 2010.

FUTURE WATER SUPPLY AND COORDINATION WITH NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Mr. Burke reported on the status of identifying feasible sites within the District for the future construction of a fourth water well, if needed. Mr. Burke updated the

Board on recent discussions with the North Harris County Regional Water Authority regarding expected surface water delivery dates.

CORROSION AT WATER PLANT NO. 2, INCLUDING EPOXY COATING OF GROUND STORAGE TANK NO. 2

Mr. Burke reported that additional samples to test for iron fixing bacteria have been pulled from the wells and that results are pending.

WATER REUSE PROJECT

Mr. Burke said that SEC continues to work on the cost feasibility analysis.

ELEVATED STORAGE TANK WAIVER

Mr. Burke reported that SEC continues to work on the waiver request to be submitted to the Texas Commission on Environmental Quality ("TCEQ").

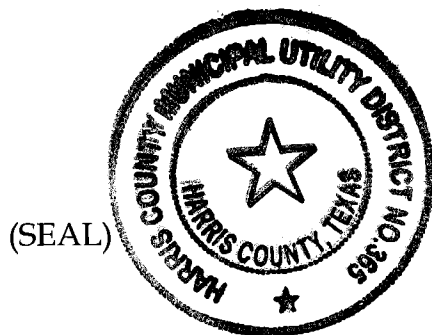
PLANS FOR SANITARY SEWER SERVICE TO ENTOUCH FACILITY ON SPRING CYPRESS ROAD

Mr. Burke reported that plans for extending sanitary sewer service are pending approval at the City of Houston and said that easements will be needed from both CCCAI and Entouch.

DEEDS, EASEMENTS, AND ENCROACHMENTS

No Board action was taken.

The Board agreed to move the District's regular monthly Board meeting to August 26, 2010, at noon. There being no further business to come before the Board, the meeting was adjourned.



Matthew R. L...
Secretary, Board of Directors

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