

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

March 23, 2011

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 365 (the "District") met in regular session, open to the public, on the 23rd day of March, 2011, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside 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"); Michael Keefe of Bob Leared Interests, Inc.; Greg Coleman of Beazer Homes of Texas ("Beazer"); Shirley McLennan of McLennan & Associates; Chris Burke of Sander Engineering Corporation ("SEC"); and Susan Edwards, Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

MINUTES

The Board took no action on this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Keefe reviewed the District's monthly tax report, noting that 96.9% of the 2010 taxes had been collected as of the end of February, 2011. After discussion, Director Silverman moved to approve the tax assessor/collector's report, and the checks drawn on the District's tax account. Director Lund seconded the motion, which passed unanimously. A copy of the tax assessor/collector's report is attached.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board also considered adopting a Resolution Concerning Exemptions from Taxation ("Resolution"), which provides for the exemption from ad valorem taxation of

\$20,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older, but rejects a general homestead exemption as well as any exemption for travel trailers. Upon a motion made by Director Silverman and seconded by Director Lund, the Board voted unanimously to adopt the Resolution as described.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. McLennan reviewed with the Board the bookkeeper's report, investment report, budget comparison, and the bills and checks presented for payment. Ms. Vinson updated the Board regarding the status of Tech Radium invoices and said that the District bookkeeper has calculated a remaining balance of \$176.85 due to Tech Radium under the one-year contract. After review and discussion, and upon a motion made by Director Silverman and seconded by Director Vandewater, the Board voted unanimously to approve: (1) the bookkeeper's report; and (2) checks presented for payment, including handwritten check nos. 2438 in the amount of \$24.20, payable to Silversand Services, LLC, and 2439 in the amount of \$176.85, payable to Tech Radium. A copy of the bookkeeper's report is attached. Ms. McLennan stated she will bring a proposed amended budget to the next regular meeting.

REIMBURSEMENT OF EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE AND ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the winter AWBD conference. Upon a motion made by Director Vandewater and seconded by Director Bradley, the Board unanimously authorized reimbursement of the expenses submitted by the Board members for the winter conference and authorized attendance at the summer conference.

ANNUAL REVIEW OF INVESTMENT POLICY AND RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board reviewed the District's Investment Policy adopted February 19, 2009, to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. Upon a motion made by Director Silverman, seconded by Director Bradley, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy.

ANNUAL REPORT

Ms. Vinson reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. Following review and discussion, Director Bradley moved to approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data in compliance with the continuing

disclosure provisions contained in the bond resolutions, and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Lund seconded the motion, which passed unanimously.

OPERATION OF DISTRICT WATER, SANITARY SEWER, AND STORMWATER FACILITIES

Mr. Bare reviewed the written operations report with the Board, a copy of which is attached. He reviewed routine maintenance and repairs in the District, including pumping down a clarifier at the wastewater treatment plant to jet a return line and installing meters at Cheddar's Casual Cafe. He also provided test results on effluent at the wastewater treatment plant and wastewater from the Dry Clean Supercenter, including a high reading for February. Mr. Bare noted that the high February reading is expected to be aberrant and SWWC has taken additional samples. Mr. Bare reported that the District's monthly water accountability was 99.4%. Upon a motion made by Director Silverman and seconded by Director Bradley, the Board voted unanimously to approve the operator's report.

The Board then conducted a hearing on the termination of utility service to delinquent accounts. Mr. Bare reported that the persons on the termination list were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. Director Silverman moved that, since the customers on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the District's Rate Order. Director Bradley seconded the motion, which carried unanimously. A copy of the termination list is attached.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Coleman reported regarding the number of homes sold to date, current sales within the Park at Arbordale, planning for future phases and special incentive sales programs. A copy of his written report is attached to these minutes.

Ms. Edwards updated the Board regarding the private sanitary sewer line running through the commercial section of Coles Crossing and status of the District's acquisition of the sanitary sewer line and easements.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Ms. Vinson next discussed federal requirements regarding the use of mobility devices by disabled persons on public recreational areas, including trails, and said that she would present a draft policy at the Board's next special meeting.

The Board discussed the District's residential irrigation analysis program and concurred to provide a reminder to residents in the District's utility billing. Director Lund also requested that a representative of Vepo, LLC attend the April meeting.

ENGINEERING MATTERS

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.

REIMBURSEMENT FOR PARK AT ARBORDALE INFRASTRUCTURE

Mr. Burke reviewed a summary of reimbursable costs for The Park at Arbordale.

REIMBURSEMENT FROM HARRIS COUNTY FOR WATERLINE RELOCATION

Mr. Burke reported that SEC has provided back up to Harris County to support the District's request for reimbursement for its costs to relocate the waterline along Spring Cypress Road.

STORMWATER CHANNEL MAINTENANCE

Mr. Burke recommended payment of an invoice for mowing of the dry detention pond by Seaback for December, 2010.

JARVIS ROAD WIDENING

Mr. Burke reported that SEC has reviewed Dannenbaum Engineering's drainage analysis related to the expansion of Jarvis Road and will be providing additional comments.

UTILITY AVAILABILITY REQUESTS

Mr. Burke also reported on the status of providing service to Cheddar's Casual Café and a previous request for service received from Texas Furniture Hut.

PUMP LOWERING PROJECT AT WATER WELL NO. 2

Mr. Burke then reported that chlorine treatment of well no. 2 is complete and has been returned to service. He stated that well no. 1 will be taken out of service beginning Monday for a week for super-chlorinating.

FUTURE WATER SUPPLY, INCLUDING WATER CAPACITY ANALYSIS

There was no discussion on this agenda item.

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

There was no discussion on this agenda item.

WASTEWATER TREATMENT PLANT, INCLUDING WATER REUSE PROJECT

Mr. Burke next reported that SEC responded to the Texas Commission on Environmental Quality ("TCEQ"), to explain why an expansion of the plant is unnecessary.

ELEVATED STORAGE TANK WAIVER

Mr. Burke reported that SEC continues to work on the elevated storage tank waiver request to be submitted to the TCEQ.

SANITARY SEWER SERVICE TO ENTOUCH FACILITY ON SPRING CYPRESS ROAD AND DEEDS, EASEMENTS AND ENCROACHMENTS

Ms. Edwards reported on the status of additional easement revisions requested by and submitted to the attorney representing Coles Crossing Community Association, Inc., to install the sanitary sewer line to serve Entouch.

Upon a motion by Director Lund and a second by Director Silverman, the Board voted unanimously to approve the engineer's report.

SECURITY REPORT

The Board discussed community response to the District's security efforts and discussed security contract options available. Following discussion, the Board requested that the patrolling officer for the District attend the May special meeting.

PUBLIC COMMUNICATIONS, INCLUDING WEBSITE MATTERS

Director Bradley said that the District's current website host has agreed to provide additional storage space at no additional cost.

Director Bradley said that she is drafting a letter to residents regarding the Classic Messaging Emergency Messaging Opt-In Program.

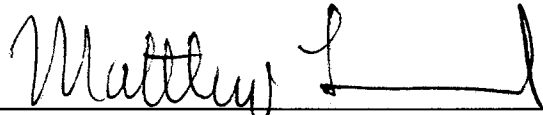
APRIL SPECIAL AND JOINT MEETING AGENDAS

The Board discussed the special and joint meeting dates and agendas. The Board concurred to cancel the special meeting for the month of April.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board determined that no executive session was necessary.

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


Secretary, Board of Directors

(SEAL)



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