

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 13, 2011

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 13th day of July, 2011, at the Coles Crossing Community 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, with the exception of Director Silverman, thus constituting a quorum.

Also present at the meeting were Ross Crawford, Vince De'Anglis, and David Brunnert, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Jon Polley and Brook Dold of Johnson, Radcliffe, Petrov & Bobbitt PLLC; Chris Burke of Sander Engineering Corporation; Gary Struzik with Klotz & Associates, Inc.; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP.

JOINT FACILITIES OPERATIONS AND FINANCES

Mr. Burke said that final pay estimates for repairs to water well no. 2 will be submitted at the Board's July 21, 2011 meeting. He also reported reduced production by water well no. 3 and recommended rehabilitation similar to work completed at water well no. 2. He said that the District operator recommended inspection of ground storage tank no. 2 at water plant no. 2 during the fall or winter of 2011.

DROUGHT AND WATER CONSERVATION MEASURES

Mr. Burke reviewed well run times. He said that the largest production comes from well nos. 1 and 2 and that he will discuss with the District's operator adjusting the flow to balance production from all wells proportionately. He reported that the District has not yet reached the criteria necessary to declare stage 1 drought conditions, but noted that the Texas Commission on Environmental Quality has asked water providers to voluntarily reduce consumption. Discussion ensued regarding drought conditions and voluntary water conservation efforts within the community. The Board, along with No. 364, concurred to place signs throughout Coles Crossing encouraging voluntary water conservation.

Mr. Burke reported on discussions with the North Harris County Regional Water Authority ("NHCRWA") regarding the schedule for delivery of surface water to the District. The Board and No. 364 discussed early conversion to surface water and capital costs associated with early conversion. Ms. Vinson discussed potential chloramines conversion expenses and NHCRWA's chloramines conversion reimbursement policy.

The Board and No. 364 next discussed community-wide reduction of water usage, including a reduction of water usage by the Coles Crossing Community Association, Inc., to irrigate common areas and by businesses to irrigate commercial areas.

Mr. Burke then reported regarding the status of the District's analysis of the water reuse project. In response to questions from Mr. De'Anglis, Director Myers reported on the status of the expansion of Jarvis Road and the associated expansion of the regional detention pond along Jarvis Road.

#### TRAIL IMPROVEMENT/CONTINUATION REPORTS

Mr. De'Anglis and Mr. Crawford reported regarding the status of construction by No. 364 of a new trail section near the Stillwater subdivision.

#### SECURITY REPORT

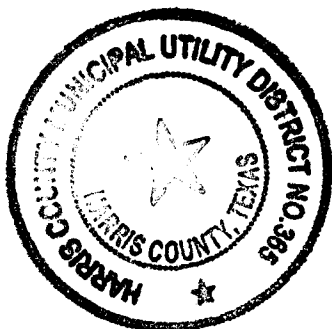
The Board discussed the District's security efforts and patrol issues.

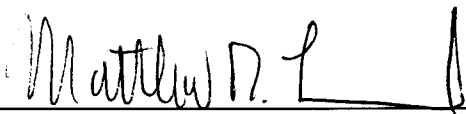
#### POSSIBLE CONSOLIDATION OF DISTRICT AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364

Mr. Polley reported regarding the Attorney General's estimated response time to the District's and No. 364's request for an opinion. No action was taken on this agenda item.

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

(SEAL)



  
Secretary, Board of Directors