

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

August 11, 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 11th day of August, 2011, at 14114 Spindle Arbor Road, 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, except Director Bradley, thus constituting a quorum.

Also present at the meeting were Michael Murr of Murr, Inc.; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Vinson said that the District's current insurance policies expire at the end of August and reviewed the renewal proposal and optional quotes provided by SIG/McDonald & Wessendorff. The Board took no action, and requested that Dan McDonald attend the Board's regular meeting and that Harco Insurance submit a proposal.

SECURITY REPORT

The Board discussed the District's security efforts and patrol response to false alarms.

EMERGENCY MASS MESSAGING SYSTEM AND DISTRICT EMERGENCY PREPAREDNESS

The Board discussed the Classic Messaging opt-in program and participation request letters that have been sent to District customers.

ENGINEERING MATTERS

Ms. Vinson reviewed well run times provided by the District's operator and reported that the District has not yet reached the criteria necessary to declare stage 1 drought conditions.

RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr updated the Board on repairs to the fences along Jarvis Road and the north trail, plant and tree condition in non-irrigated areas and watering or removal of same, the status of construction of a concrete ramp on the north side of the detention pond next to the nature trail, and the status of obtaining a proposal to repair cracks in the asphalt trails. Mr. Murr said that he would follow up with Fence Crete regarding the warranty period on the fences along Jarvis Road and the replacement of fence segments lacking rebar. Upon a motion by Director Silverman and a second by Director Lund, the Board voted unanimously to authorize up to a total of 12 waterings of the trees on the south side of Jarvis Road, and directed Mr. Murr to instruct Silversand Services as to when such waterings are necessary.

Ms. Vinson said that the District's contract with Vepo LLC for residential irrigation evaluation is scheduled to automatically renew for another one-year term. She reported that Vepo, LLC has agreed to waive automatic renewal if the Board wants to discontinue the program, due to a low participation rate in the District. The Board deferred taking action.

Director Myers reported on grant and funding opportunities to connect trails, school and the commercial area on Skinner Road. He reported that he met with Angela Young of Sysco, Inc. to discuss the company's possible participation. Upon a motion by Director Lund and a second by Director Silverman, the Board voted unanimously to authorize Michael Murr to prepare a preliminary proposal for the design of a detailed connecting trail proposal.

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

There was no discussion on this agenda item.

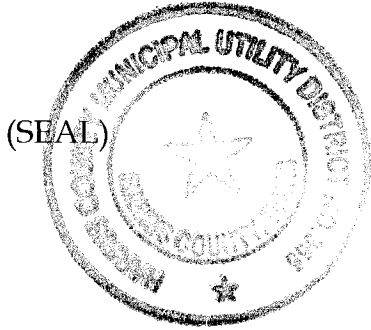
RECYCLING SERVICES

There was no discussion on the agenda item.

BUDGET FOR FISCAL YEAR END AUGUST 31, 2012

Ms. Vinson presented a draft budget for the District for the fiscal year ending August 31, 2012, and draft joint facilities budgets for the fiscal year ending August 31, 2012. Ms. Vinson noted that no comments regarding the joint facilities budgets were received from Harris County Municipal Utility District No. 364 ("No. 364"). The Board discussed the District's draft budget, including water and sewer revenues. The Board deferred taking action.

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



Secretary, Board of Directors