

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

October 12, 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 12th day of October, 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 Directors Vandewater and Silverman, thus constituting a quorum.

Also present at the meeting were Ross Crawford, Vince De'Anglis, David Brunnert, Dale Trevino, and Alan Beard, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Brook Dold of Johnson, Radcliffe, Petrov & Bobbitt PLLC; Chris Burke of Sander Engineering Corporation; Jeff and Everett Scott, residents of No. 364; and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP.

JOINT FACILITIES OPERATIONS AND FINANCES

Mr. Burke reported that there are no outstanding issues regarding storm facilities, but that grass coverage in the drainage channels remains light due to ongoing drought conditions.

Mr. Burke reported that SEC will inspect ground storage tank no. 2 and repair ground storage tank no. 1 in the winter at the same time the water plant is down for rehabilitation of water well no. 3. Mr. Crawford suggested that the hydro-pneumatic tanks be taken down and inspected during that time as well.

Mr. Burke discussed the recommended rehabilitation of water well no. 3 and said that bids would be presented next week for the Board's consideration, that a notice to proceed would be issued in early December, 2011, and that the rehabilitation work should be completed by April, 2012.

DROUGHT AND WATER CONSERVATION MEASURES

Mr. Burke reported that the proposed water reuse program is on hold.

Mr. Burke, the Board and No. 364 next discussed future water supply schedules for delivery of surface water to the District by the North Harris County Regional Water Authority ("NHCRWA"), and surface water operations issues. The Board also discussed with Mr. Burke and No. 364 the possibility of drilling a well.

The Board and No. 364 also discussed high water usage during summer and water conservation options.

TRAIL IMPROVEMENT/CONTINUATION REPORTS

The Board and No. 364 discussed plans to repair cracks in the districts' asphalt trails and the status of No. 364's new trail. The Board and No. 364 discussed installing mile markers or other types of location markers along the community trails. They also discussed ongoing issues with repair of water fountains along the trails.

SECURITY REPORT

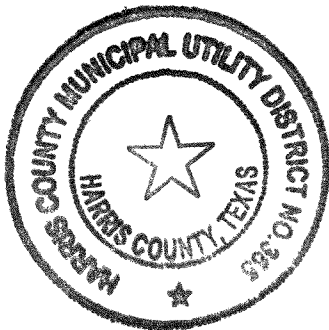
The Board and No. 364 discussed the District's current contract with Harris County for patrol services, ongoing patrol issues within the District and options for security coverage for 2012.

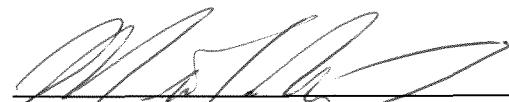
POSSIBLE CONSOLIDATION OF DISTRICT AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 364

Ms. Vinson, the Board and No. 364 discussed forming a consolidation committee comprised of two appointees from each Board and confirmed that Directors Myers and Lund from the District and Mr. De'Anglis and Mr. Beard from No. 364 will act as the appointees. The Board and No. 364 concurred to hold two preliminary meetings of the consolidation committee and discuss whether to proceed with the consolidation committee and initiate due diligence efforts at the next joint meeting in January, 2012.

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

(SEAL)




Secretary, Board of Directors