

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

May 10, 2012

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 10th day of May, 2012, 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 Sanders Engineering Corp; Deaver Bradley and Paul Bland, District residents; Michael Murr of Murr Incorporated; Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

SECURITY REPORT

Director Lund discussed security and security personnel issues within Coles Crossing.

EMERGENCY MASS MESSAGING SYSTEM AND DISTRICT EMERGENCY PREPAREDNESS

The Board discussed available messaging options through Classic Messaging and emergency preparedness.

ENGINEERING MATTERS

Mr. Burke first reported on the status of repairs to the ground storage tank at water plant no. 2, specifically patching holes and welding plates over holes. He said that Gemini Services will sandblast again on Monday and that the contractor anticipates completing the job and placing the plant back in service in two weeks.

Mr. Burke reported that Harris County Municipal Utility District No. 364 ("No. 364") reported low water pressure and that he asked SWWC to check valves within the boundary of No. 364 to confirm that no valves were closed.

Mr. Burke said that Harris County Precinct 3 will complete collection of data with regard to the Harris County traffic study on Montaigne before school is dismissed for the summer.

Mr. Burke next reviewed three proposals to repair seepage at the wastewater treatment plant basin. Following discussion, Director Lund moved to accept the proposal from Restoration Services, Inc. for an amount not to exceed \$1,500 per day for a maximum of three days. Director Silverman seconded the motion, which passed unanimously.

Mr. Burke then updated the Board on the rehabilitation of water well no. 3 and said that bacteriological testing is scheduled for Monday.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Director Lund said that he was contacted by District residents regarding use of the District's detention facilities for recreational activities. Ms. Vinson discussed with the Board public use of the facilities and options for scheduling use of the recreational fields.

Mr. Murr reported on the status of installation of additional trees on the north side of the trail and reviewed a proposal from Silversand Services for a second phase of tree installation. The Board also discussed damaged and fallen trees at the wastewater treatment plant and the water plant on Telge Road that need to be removed. Upon a motion by Director Lund and a second by Director Bradley, the Board voted unanimously to accept the proposal from Silversand Services for a second phase of tree installation and to approve up to \$1,800 for tree/branch removal at the wastewater treatment plant and water plant on Telge Road. The Board requested that the wastewater treatment plant and water plant on Telge Road be billed separately for joint facilities budget tracking.

Mr. Murr reviewed a second design for compression buckles to repair the arbor beams. Director Silverman moved to use the bolt-through method to repair the arbor beams. The motion failed for lack of a second. Discussion ensued regarding the cost to remove and replace beams. There was no additional action on this agenda item.

Mr. Murr said that he received specifications for the maintenance of the north trail. Ms. Vinson said that she reviewed Silversand Service's contract with the Coles Crossing Community Association, Inc. ("CCAI") and determined that the CCCAI contract with Silversand Services is terminable with 30 day's notice. Upon a motion by

Director Bradley and a second by Director Lund, the Board voted unanimously to authorize Michael Murr to obtain bids for the maintenance of the north trail, south of the detention trail and soccer field.

Mr. Murr reported on the status of the District's application for trail funding through a Texas Parks and Wildlife grant program.

Mr. Murr also reported on the status of repair of birdhouses along the trail, cracks in the trail near the tennis courts, and water fountain repairs.

Director Lund reported on the Regional Parks meeting.

RECYCLING SERVICES

Director Bradley reported on recycling services within the District.

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

Ms. Vinson reported that the consolidation committee will next meet on May 29, 2012, and reported the status of each District's due diligence document review.

EXECUTIVE SESSION PURSUANT TO THE CHAPTER 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION

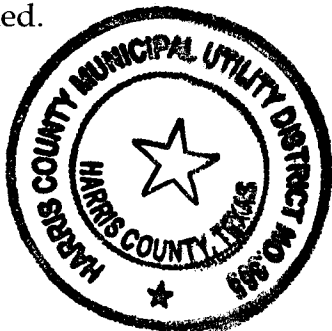
The Board determined that no executive session was necessary.

PROPOSALS FOR OPERATING SERVICES

The Board next reviewed operating proposals and discussed the status of SWWC, Inc., as well as data needed for conversion to a new operator. Following discussion, the Board concurred to schedule interviews for the Board's regular May, 2012, meeting with Environmental Development Partners, LLC, Municipal Operations & Consulting, Si Environmental and Gulf Utility Service, Inc.

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

(SEAL)




Secretary, Board of Directors