

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

June 14, 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 14<sup>th</sup> day of June, 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	Secretary
Mike Vandewater	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present, with the exception of Director Myers, thus constituting a quorum.

Also present at the meeting were Michael Murr of Murr Incorporated; Brian Bare of Si Environmental, LLC; Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr reported that a yellow jacket nest on the trail reported by a District resident has been removed.

The Board discussed funds budgeted and spent for tree watering last summer and this fiscal year to date.

Mr. Murr updated the Board on the status of proposals for the maintenance of the north trail, south of the detention trail and soccer field and said that he is holding off requesting proposals pending completion of other maintenance issues by Silversand Services, LLC.

Mr. Murr reported that the District's application for a trail grant was not selected for funding by the Texas Parks and Wildlife Department. Mr. Murr said that he would get a critique sheet to see how the application was scored for future reference. Upon inquiry by Director Silverman, Ms. Vinson discussed with the Board how consolidation

of the District with Harris County Municipal Utility District No. 364 ("No. 364") might affect any future award of grant funds.

#### ENGINEERING MATTERS AND OPERATOR SERVICES TRANSITION

No engineering report was given.

Mr. Bare updated the Board on transition of District customer service and utility billing from SWWC, Inc. to Si Environmental, LLC, specifically billing issues, including tracking of deposit refunds and delinquencies. The Board also discussed including additional information on the transition on the District's website and its willingness to distribute a joint message through Coles Crossing Community Association, Inc., regarding the Board's decision to change operators. The Board concurred to distribute a non-emergency message regarding the transition through Classis Messaging LLC to the District's Opt-In database. Director Bradley stated that she would prepare the message for Classic Messaging LLC.

To facilitate the District's transition to Si Environmental, LLC, the Board next reviewed an electronic payment services agreement, including a Resolution Approving Electronic Lockbox Payment Services, Addendum to Operator Service Agreement, Addendum to Program Guide, Agreement for ACH Services and Addendum and Processing Agreement. Upon a motion by Director Silverman and a second by Director Vandewater, the Board voted unanimously to approve a Resolution Approving Electronic Lockbox Payment Services, Addendum to Operator Service Agreement, Addendum to Program Guide, Agreement for ACH Services and Addendum and Processing Agreement.

Ms. Vinson updated the Board on water used and credited by Northwest Harris County Municipal Utility District No. 10, according to information received from the District's engineer. Ms. Vinson also updated the Board on the status of repairs to water plant nos. 1 and 2, based on information received from the District's engineer.

#### SECURITY REPORT

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

#### MEETING SCHEDULE

The Board discussed scheduling its regular July meeting to July 23, 2012, and the District's joint meeting to be held on July 11, 2012.

EMERGENCY MASS MESSAGING SYSTEM AND DISTRICT EMERGENCY PREPAREDNESS

Director Silverman said that he would meet with No. 10's engineer at the Association of Water Board Directors conference to discuss emergency preparedness.

RECYCLING SERVICES

There was no additional discussion on this agenda item.

RENEWAL OF INSURANCE

Ms. Vinson said that the District's current insurance policies expire at the end of August and reviewed the options chosen through SIG/McDonald & Wessendorff last year. Following discussion, the Board concurred to request additional coverage options from SIG/McDonald & Wessendorff.

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

Director Silverman updated the Board on the last consolidation committee meeting, the progress of due diligence reviews by the District and No. 364, and the schedule for future consolidation committee meetings.

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

  
Secretary, Board of Directors

(SEAL)

