

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 11, 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 11th day of July, 2012, 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	Secretary
Mike Vandewater	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present, except Directors Bradley and Bland.

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

JOINT FACILITIES OPERATIONS AND FINANCES

The Board and No. 364 discussed quarterly maintenance completed in June, 2012 by Seaback Maintenance, invoices processed for payment and channel drainage, including silting.

Mr. Burke reported that ground storage tank no. 1 and both hydro-pneumatic tanks at water plant no. 2 have been returned to service. He also reported that repair of ground storage tank no. 2, including re-weld of weld patches, coating and sealing, is complete, and that the tank was filled today and bacteriological testing is underway. He anticipates that ground storage tank no. 2 will be returned to service on Monday. He said that additional work on the hydro-pneumatic tanks at water plant no. 1 and inspection of ground storage tank no. 1 will continue after the summer season.

Mr. Burke reported that rehabilitation of water well no. 3 was completed in May, 2012.

Mr. Burke reported that work to stop seepage at the wastewater treatment plant basin is completed and appears to be effective at this time.

TRAIL IMPROVEMENT/CONTINUATION REPORTS

Mr. Brunnert reported that No. 364 approved No. 364's trail connection to the trail at The Park at Arbordale. Directors of No. 364 and the Board also discussed silt fencing for construction in the Park at Arbordale, Phase 2 and ponding on the trail at the trail interconnect, and agreed that the developer will need to restore the swale following construction. Directors of No. 364 and the Board also discussed the sloping of District trails.

No. 364 also discussed repairs to cracks in No. 364's trails. Director Myers reported on retrofitting of water fountains on District trails.

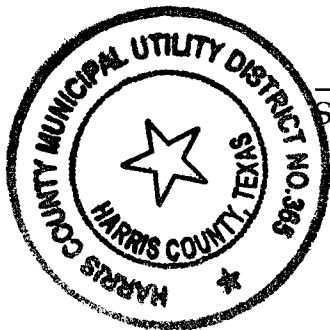
SECURITY REPORT

There was no discussion on this agenda item.

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

Ms. Vinson reported regarding the status of due diligence production between the District and No. 364 and the status of consolidation committee meetings.

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



(SEAL)



Secretary, Board of Directors