

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

December 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 December, 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
Jeff McClellan	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present.

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

PUBLIC COMMENT

There was no public comment. Director Silverman commented regarding the District's operator's response during holiday hours to a water leak.

MEETING SCHEDULE

The Board confirmed the December 20, 2012 regular meeting at 11:00 a.m. and agreed to meet in joint session with Harris County MUD No. 364 ("No. 364") on Wednesday, January 9, 2013 at 7:00 p.m. at the Cole's Crossing Community Center.

SECURITY REPORT, INCLUDING MODIFICATION OF AGREEMENT TO EXTEND LAW ENFORCEMENT SERVICES

Director Bradley next discussed patrol initiatives underway in the District with the Board. The Board also considered a modification requested by Harris County to extend the term of agreement for law enforcement services contracted through the County through February 2013 to account for a change in administration by the County of all security contracts. Upon a motion by Director Silverman and a second by Director Bland, the Board voted unanimously to approve signature of a modification to extend the term of agreement for law enforcement services through February 2013.

EMERGENCY MASS MESSAGING SYSTEM AND DISTRICT EMERGENCY PREPAREDNESS

The Board discussed possibly issuing mass notifications, if needed, for drought conditions and fireworks bans.

ENGINEERING AND OPERATING MATTERS

The Board discussed corrosion at water plant no. 1, including additional repair of ground storage tank no. 1 and the status of advertising for bids for repair to tanks nos. 1 and 2. No action was taken on this agenda item.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr updated the Board on Andrew Goldbloom of Texas Parks and Wildlife's review of the District's recreational grant draft proposal and said that the grant will be submitted before the February 2013 deadline. Ms. Vinson also discussed grants available through the Harris-Galveston Area Council.

Mr. Murr discussed Murphey Asphalt and Concrete Paving's proposal for crack repair on District trails and said that Murphey Asphalt and Concrete has not been responsive to questions regarding the proposal. The Board discussed Murphey Asphalt and Concrete's contract with No. 364. Mr. Murr discussed the second lowest proposal from Hayden Paving at \$1.50 per linear foot totaling \$15,647 to seal the cracks in Sections A, B and D and \$17,928 to seal the cracks. Following discussion, the Director Silverman moved to (1) award the contract to the second lowest bidder, Hayden Paving; (2) authorize Michael Murr to issue notice to proceed at his discretion; and (3) to approve a Services Agreement with Hayden Paving. Director Bradley seconded the motion, which passed unanimously.

Mr. Murr next discussed an estimate to re-grade and develop the recreational fields for \$91,000.

RECYCLING SERVICES

There was no additional discussion on this agenda item.

PUBLIC COMMUNICATIONS

The Board discussed a request from the Paperboy publication through Director Bland to provide copy once a month. Director Bradley discussed the Board's previous commitment to provide copy. The Board discussed a new community publication and Director Silverman requested that copy be provided to both when submitted.

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

Ms. Vinson and Directors Myers and Bradley updated the Board on the last consolidation committee meeting and the progress of due diligence reviews by the District and No. 364. Director Myers requested that ABHR place consolidation on the joint meeting agenda for January 9, 2013.

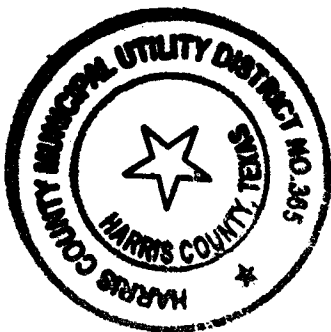
EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.076, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, AND TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES

At 8:05 p.m., Director Myers announced that the Board would convene in executive session to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation, or a settlement offer, and to deliberate the deployment, or specific occasions for implementation, of security personnel or devices.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

Director Myers announced the Board would reconvene in open session at 8:06 p.m. Following discussion in executive session, Director Silverman moved to make a counter offer, as discussed, to Traffic Control Devices. Director Bradley seconded the motion, which passed unanimously.

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



(SEAL)

A handwritten signature in black ink, appearing to be "W. D. Silverman", written over a horizontal line.

Secretary, Board of Directors