

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

January 9, 2013

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 9th day of January, 2013, 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
Jeff McClellan	Assistant Secretary
Paul Bland	Assistant Vice President

and all of the above were present.

Also present at the meeting were Erin Corken, Dale Trevino, Alan Beard and Ross Crawford, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Gary Struzik 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

Mr. Burke reported an electrical fire in the control panel at water plant no. 2 last night. He said the fire is under investigation and no cause has been determined nor has the amount of damage been estimated. Mr. Burke said the District operator topped off the ground storage tanks and took the plant out of service after the fire was discovered. He said the District is being served from water plant no. 1 which is running at half capacity, as scheduled. Mr. Burke said the hydro-pneumatic tanks at water plant no. 1 are being recoated and will be returned to service next week. He also said that inspection of the ground storage tanks at water plant no. 1 revealed corrosion issues similar to those previously discovered at water plant no. 2. He said that Sanders is preparing specifications for patch welding and recoating the ground storage tanks at water plant no. 1, which will include patching the walls.

Mr. Burke also reported on the status of the wastewater treatment plant permit renewal.

TRAIL IMPROVEMENT/CONTINUATION REPORTS

Director Silverman updated No. 364 on the District's trail crack sealing project and the District's recreational grant application to be submitted to the Texas Parks and

Wildlife Department by the February 1, 2013 deadline. Director Silverman and Director Myers also reported regarding cleaning of benches along trails and coordinating information with the Coles Crossing Community Association, Inc.

Mr. Beard updated the Board on No. 364's trail project and improvements.

SECURITY REPORT

The Board discussed with No. 364 patrol issues concerning fireworks discharged in the District during the New Year holiday.

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

No. 364 discussed with the Board whether the Board continues to have an interest in moving towards a consolidated District, specifically discussing debt and maintenance levels and budgets of each District, including specific discussion regarding trails, recycling and security. The Board and No. 364 concurred to submit a letter by the end of February 2013 indicating whether each District intends to move forward with the consolidation process.

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





Secretary, Board of Directors