

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

September 12, 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 12th day of September, 2013, at 6314 Madewood, Cypress, Texas 77429, outside 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, except Directors Myers and Silverman, thus constituting a quorum.

Also present at the meeting were Michael Murr of Murr Incorporated; Karen Sears of Acclaim Energy Advisors; Chris Burke of Sander Engineering Corp; Don Richards of Coles Crossing Community Association Inc. ("CCCAI"); and Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Richards discussed with the Board possible coordination and cost sharing of improvement projects. Following discussion, the Board requested the CCCAI submit a letter to the District with proposed project information and estimated costs. Mr. Richards also discussed ongoing and planned CCCAI projects. Discussion ensued regarding possible phasing of proposed projects.

ENERGY MARKET PRICING

Ms. Sears discussed natural gas storage reports and projections. Following discussion, the Board requested Ms. Sears bring energy pricing to the regular October meeting.

SECURITY REPORT

The Board determined to defer discussion regarding installation of security at District facilities until further notice.

EMERGENCY MASS MESSAGING SYSTEM AND DISTRICT EMERGENCY PREPAREDNESS

Director Bland discussed general hurricane preparedness and placing a reminder in the Paper Boy for residents to sign up for mass messaging.

ENGINEERING AND OPERATING MATTERS

Ms. Burke discussed mowing of District detention facilities and said Seaback Maintenance will skip mowing channel slopes and bottoms in September and resume mowing of same in October.

Mr. Burke reported on corrosion at water plant no. 1 and discussed the status of preparation of bid specifications.

Mr. Burke also updated the Board on plans to pull the pump at water well no. 2 after peak to possibly address wear. He reviewed usage and pumpage graphs and said the replacement pump is producing less volume than anticipated.

Mr. Burke discussed the trails at the Park at Arbordale and Beazer Homes' plans to address drainage, clean up and silt fencing when weather is cooler.

Mr. Burke discussed possible development of a daycare on Highway 290 frontage and possible extension of a sanitary sewer line and re-routing of an existing waterline.

Mr. Burke next discussed notice from Harris County Pollution Control regarding a violation notice at the wastewater treatment plant. Mr. Burke reviewed a response to Harris County filed by the District operator and said no further action is required.

REPORT ON RECREATIONAL AND LANDSCAPE FACILITIES

Mr. Murr reviewed a proposal for recreational field rehabilitation and noted that he had solicited three proposals. Mr. Burke said plans have been submitted to Harris County and will be picked up tomorrow to address comments. Mr. Burke noted that no elevations are being modified. Following review and discussion, Director Bland requested that Mr. Murr attempt to obtain two additional proposals.

Mr. Murr next reviewed a map and proposal for placement of three trash cans on District trailheads. He said the pricing includes a stained concrete pad. Upon a motion by Director Bland and a second by Director McClellan, the Board voted unanimously to approve installation of three trash cans and authorize Director Bradley to direct the location of each new trash can.

Mr. Murr discussed repair of the dog bowl fountain spigot for \$426.20. Upon a motion by Director McClellan and a second by Director Bland, the Board voted unanimously to authorize Vista Landscape to repair the dog bowl fountain spigot for an amount not to exceed \$426.20.

The Board discussed broken fence rails along Jarvis Road and purchasing additional fence rails to have on hand for repairs, as needed. Following discussion, Director Bland moved to authorize Mr. Murr to purchase six rails and install two. Director McClellan seconded the motion, which passed unanimously.

The Board and Mr. Richards discussed the District's trails and recreational facilities.

RECYCLING SERVICES

The Board took no action on this agenda item.

DROUGHT CONTINGENCY PLAN

Ms. Vinson discussed correspondence received from the North Harris County Regional Water Authority ("NHCRWA") requesting the District revise its drought contingency plan by October 1, 2013, to comply with the NHCRWA's recently revised drought contingency plan.

Ms. Vinson then discussed Governor Perry's Proclamation Extending Drought Emergency and recommended that the District implement its Drought Contingency Plan. The Board discussed statewide drought conditions and methods of encouraging reduced water usage. Following discussion, Director Bland moved to (i) implement the District's Drought Contingency Plan by requesting a voluntary reduction in water usage, and (ii) authorize the District's operator to add a message to utility bills requesting water conservation. The motion, which was seconded by Director McClellan, passed unanimously.

PUBLIC COMMUNICATIONS

The Board took no action on this agenda item.

JOINT MEETING SCHEDULE

The Board discussed joint meeting schedules and alternate meeting dates.

There being no additional business to consider, the meeting was adjourned.



Secretary, Board of Directors

(SEAL)

