

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 365

July 31, 2008

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 24th day of January, 2008, at the Information 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	Assistant Vice President
Matthew Lund	Secretary
Claudine Pacioni	Director

and all of the above were present, except Directors Silverman and Pacioni, thus constituting a quorum.

Also present at the meeting were Alan Beard, Vince D'Angelis and Connie Cole, directors of Harris County Municipal Utility District No. 364 ("No. 364"); Robin Bobbitt of Johnson, Radcliffe, Petrov & Bobbitt PLLC; Paul Bland of the Cole's Crossing Homeowners' Association ("HOA"); Chris Burke of Sander Engineering Corporation ("SEC"); Kenneth Martinec of Jones & Carter, Inc. ("J&C"); and Susan Edwards, Alia Vinson and Jane Miller of Allen Boone Humphries Robinson LLP.

JOINT FACILITIES OPERATIONS AND FINANCES, JOINT FACILITIES BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2009, AND WATERLINE RELOCATION ALONG SPRING CYPRESS

The Board discussed with No. 364 the joint facilities operations and finances, the corresponding budget for the fiscal year ending August 31, 2009, and the waterline relocation along Spring Cypress Road. Ms. Edwards described the reimbursement by Harris County for expenses associated with the District's relocation of its waterline along Spring Cypress Road. Mr. Burke said that the reimbursement amount shown in the proposed reimbursement agreement from Harris County does not include reimbursement amounts for the easement acquisitions required for the relocation. Mr. Burke reported on the removal of the emergency water interconnect vault, valves, meter, and piping and relocation of the power pole from the new road right-of-way to the water plant site. Mr. Martinec said that he is preparing revised construction cost estimates and that the plans will be final in 2 weeks.

## WATER PLANT CAPACITY ANALYSIS AND PROPOSED RECALCULATION OF CAPACITY

Mr. Martinec reviewed with the Board an analysis of capacity at the joint water plants and a proposed recalculation of capacity wherein the District and No. 364 gain additional capacity. Upon inquiry from the Board, Mr. Martinec confirmed that the analysis does not consider actual run times at the water plants. Mr. Burke said that the District has allocated connections for The Park at Arbordale and the new commercial development, but there is no data available yet regarding actual use. Ms. Edwards reviewed the Joint Facilities Agreement with regard to allocations to each District. Following discussion, the Board and No. 364 concurred that the engineers will work together to analyze existing water plant and wastewater plant capacity. The Board and No. 364 also discussed storage limitations.

## ACCESS ROAD AT WASTEWATER TREATMENT PLANT

Mr. Burke discussed with the Board and No. 364 the status of the plan approval and a proposed change to pavement density from 6" to support 3,000 pounds per square inch as designed to 7" to support 3,500 pounds per square inch at an estimated cost of \$20,000. The Board concurred to defer action until its regular meeting.

## PAYMENT OF DRAINAGE DITCH MAINTENANCE COSTS AND ACCOUNT FOR REIMBURSEMENT FOR SUCH MAINTENANCE COSTS

Mr. Burke and Mr. Martinec discussed their individual analyses of percentages of usage by the District and No. 364 of certain shared drainage facilities. The Board and No. 364 concluded that the current practice of allocating maintenance costs 55% to No. 364 and 45% to the District is acceptable to both Districts. Accordingly, Director Bradley moved to approve reimbursement to No. 364 of 55% of reimbursements received by the District from Harris County Flood Control District for maintenance costs, issuance of a check for the appropriate share of maintenance costs received to date, and allocation of future costs and reimbursements 45%/55% between the districts. Director Lund seconded the motion, which passed unanimously.

## COLES CROSSING JOGGING TRAIL IMPROVEMENTS INCLUDING PHASE 2, PROPOSED PHASE 3 AND LETTER AGREEMENT REGARDING MAINTENANCE OF THE JOINTLY CONSTRUCTED JOGGING TRAILS

The Board and No. 364 discussed improvements to Phase 2 and concurred to do a joint inspection of the completed facilities prior to the end of the 90 day warranty period. With regard to Phase 3, Mr. Beard said that No. 364 wanted to begin construction, but did not know how much they could financially commit to the project. The Board and No. 364 generally discussed continuation of Phase 3 with each District constructing portions of Phase 3 separately. Mr. Bland requested that the HOA be

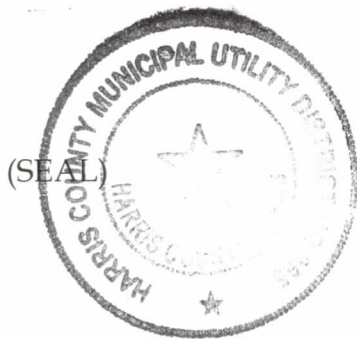
notified of the projects undertaken by each District as they occur. Director Bradley discussed the financial advantages of partnering in the trail projects. Director Myers proposed to re-initiate trail committee meetings, with District, No. 364, and HOA representatives, to coordinate projects but with each entity conducting its own projects.


The Board and No. 364 discussed the proposed letter maintenance agreement for Phase 2. The Board concurred to defer action on the letter maintenance agreement until its regular meeting.

PARK GRANT APPLICATION AND DETENTION PARK DESIGN

The Board discussed with No. 364 the ongoing detention park design and proposed park grant application. Director Myers invited No. 364 to participate in the planning and phases and noted that Harris County, Precinct 3; Harris County Flood Control District; and the HOA will also be invited to participate. Director Myers noted that the District intends to submit the grant application by July 31, 2009. Mr. Beard requested notice of any District special meetings regarding the park grant application. No action was taken on this agenda item.

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



  
Secretary, Board of Directors