

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

MINUTES OF BOARD OF DIRECTORS MEETING

October 9, 2004

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in special session, open to the public, at 9:00 a.m., at Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas on Saturday, October 9, 2004, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Roy P. Lackey	President
Tiffani C. Bishop	Vice President/Investment Officer
Sharon L. Cook	Secretary
Michael J. Ward	Treasurer
Drexel Moerbe	Assistant Secretary

All members of the Board were present except Director Cook. Consultants attending were: Mike Plunkett of Eagle Water Management, Inc. ("Operator") and Kaye C. Corprew, attorneys, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Attorney").

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 9:05 a.m. and declared it open for such business as may come before it.

1. **District Facilities Tour.** The purpose of the meeting was to visit the District facilities in order to review the general condition of the facilities and the various construction projects and to consider the proposed site and size of the proposed District maintenance and storage building.

a. **Water Plant No. 1.** The first stop was to the District's Water Plant No. 1 site to consider the layout of the District's proposed maintenance and storage building. The Board also discussed the purpose and function of the building and decided the site is not satisfactory for a meeting facility. The Board then discussed the imminent need to construct a storage facility for the new emergency generator to be purchased and whether to make the building large enough to double as an office. The Board decided to ask the District's Engineer to obtain estimates for the different scenarios.

b. **Wastewater Treatment Plant (the "WWTP").** The Board next visited the District's WWTP site to view the new construction, including the expansion of the WWTP.

c. **Northern Point Lift Station and Detention Basin.** Then, the Board went to the Northern Point subdivision to see the lift station and detention basin that were recently constructed by KB Homes in the subdivision. The Board expressed concern

about the condition of the detention basin, including the amount of rebar used in the down drainage spout, and decided to ask KB Homes to look into the matter.

d. Water Plant No. 2 Site. The Board then visited the remote site of Water Well No. 4 and the future Water Plant No. 2.

e. Ashford Place Detention Basin. The final stop was to the newly constructed detention basin in Ashford Place subdivision by Great America Companies.

2. Meeting Facility. In conclusion, the Board decided to instruct the District's Engineer to continue searching for an acceptable site for a meeting facility.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, the meeting was adjourned at 12:15 p.m.

PASSED and APPROVED this the 4th day of November, 2004.

/s/ Secretary, Board of Directors

(SEAL)