

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

## MINUTES OF BOARD OF DIRECTORS MEETING

June 18, 2007

The Board of Directors (the "Board") of the Harris County Municipal Utility District No. 368 (the "District") met in regular session, open to the public, at 6:30 p.m. on Thursday, June 18, 2007 at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas, 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
Allison V. Dunn	Assistant Secretary

All members of the Board were present. Consultants in attendance were: Wendee Gamble of Municipal Accounts & Consulting ("Bookkeeper"); Andrew Dunn, District resident and liaison with Harris County Constable's Office (the "Constable"); Deputy Mike Swindler of the Constable's department; Rusty Leared of Bob Leared Interests, Inc. ("Tax Assessor/Collector"); Mark T. Stendahl, P.E., consulting engineer ("Engineer") and representative of Pate Engineers, Inc. ("Pate"); and Kaye C. Corprew, attorney, and Marian D. Henderson, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Attorneys").

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 7:20 p.m. for such business as may properly come before the Board.

1. PUBLIC COMMENT. There was no public comment.
2. HARRIS COUNTY CONSTABLE'S REPORT. Mr. Dunn introduced Deputy Swindler to the Board and stated that he had been responsible for arresting seven (7) burglary suspects during the past month. Mr. Dunn then requested authorization from the Board to send a letter to the Constable requesting that Deputy Swindler be promoted to corporal after Richard Hill is promoted to sergeant. Upon motion by Director Cook, seconded by Director Bishop, after discussion and with all directors present voting aye, the Board authorized Ms. Corprew to forward a letter to the Constable requesting the promotion of Deputy Swindler to corporal on the District's contract.
  - a. *Reward for Information Leading to Arrest(s)*. Mr. Dunn suggested scheduling a representative of Crime Stoppers to come and speak with the Board at the August 16, 2007 meeting. The Board agreed.

- b. *Amendment to Interlocal Agreement for Law Enforcement Services.* Ms. Corprew stated that this item should be tabled until such time as Harris County Precinct Four forwards the amended contract to the District.
  - c. *Equipment.* Mr. Dunn then requested that the District purchase certain equipment (night vision binoculars, an aquarium and finger printing kits, etc.) for the Constables' use in curtailing crime within the District. Ms. Corprew stated that the item will be placed on the July 26, 2007 agenda for action.
  - d. *Crime Statistics.* Mr. Dunn presented and reviewed area crime statistics with the Board in an effort to establish a baseline for Constable patrols in light of the expanding commercial business in the District. [Mr. Dunn and Deputy Swindler departed the meeting at 8:14 p.m.]
3. MINUTES OF JUNE 7, 2007 MEETING. The minutes were tabled until the next meeting.
4. TAX ASSESSOR/COLLECTOR'S REPORT. The President next recognized Mr. Leared, who presented and reviewed with the Board, the Tax Assessor/Collector's Report, a copy of which is attached hereto as Exhibit "A". Mr. Leared stated that he anticipates a late certification of property values this year due to the high number of protests. Upon motion by Director Cook, seconded by Director Bishop, after discussion and with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report and authorized checks numbered 1598 through 1600, inclusive, from the Tax Account.
5. BOOKKEEPER'S REPORT. Ms. Corprew next presented the Bookkeeper's Report in the absence of Ms. Gamble, a copy of which report is attached hereto as Exhibit "B". Later in the meeting Ms. Gamble entered and the Board once again directed its attention to the Bookkeeper's Report. Discussion ensued regarding the payment to Alsay, Inc. ("Alsay"), Pate's invoice and the Operator's invoice. Ms. Gamble then explained a discrepancy in the Constable's billing and stated that even though the District has been paying the account two months in advance, the District incurred a late fee due to the fact that the District failed to allow for the changes in the contracts when making such payments. [Mr. Stendahl entered the meeting during the second Bookkeeper's Report.] The Board questioned Mr. Stendahl regarding the Pate invoice, and Mr. Stendahl stated that he would review the invoice with Pate on behalf of the Board. Upon motion by Director Cook, seconded by Director Lackey, after discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented and authorized the payment of invoices, excluding the payments to Alsay and Pate.
6. NEW BUSINESS.
- a. *Engineering Plans for Rehabilitation of Sanitary Sewer Facilities Serving Graceview Baptist Church ("Church").* Mr. Stendahl reported that it is feasible

to replace the sanitary sewer line serving the church with a new line from the northeast corner of the Church to the front of the Church. There will be approximately 100 feet of sanitary sewer line in the public right-of-way that the District should probably control and another 800 feet of line that will be on the Church's property. Director Lackey stated that he would prefer that the District not take ownership of that portion of the sanitary sewer line located in the Church's property, and the Board concurred. Mr. Stendahl stated that he should have the plans ready by the next Board meeting.

- b. *Rate Order Amendment.* The Board tabled the Rate Order amendment until the July 26<sup>th</sup> meeting.
- c. *Interlocal Agreement with Harris Galveston Subsidence District ("HGSD") Regarding Water Wise Program for 2007-2008 Term.* Director Dunn stated that the children at Khorville Elementary had been very receptive to the Water Wise Program last year and that the Board should continue their participation in the program. Upon motion by Director Bishop, seconded by Director Dunn, after discussion and with all Directors present voting aye, the Board authorized the execution of the Interlocal Agreement with HGSD, a copy of which is attached hereto as Exhibit "C".

7. OLD BUSINESS.

- a. *Final Payment to Alsay for Water Well No. 4 Pump Motor Repair Project.* Ms. Corprew reported that she had forwarded the Attorney's expenses relating to the Alsay project to Mr. Stendahl and Ms. Gamble, and Mr. Stendahl reported that he would forward the Engineer's related expenses prior to the next Board meeting.
- b. *Proposed Water Well No. 6 and/or Purchase of Surface Water from North Harris County Regional Water Authority.* Ms. Corprew stated that this item should be discussed in Executive Session.
- c. *Repairs to District Facilities.* Director Lackey reported that the air conditioning unit failed at the Wastewater Treatment Plant and that repairs are on the way.

8. DIRECTORS REPORT. Director Cook stated that she has not had a chance to see whether or not the Consumer Confidence Report has been posted to the District's website.

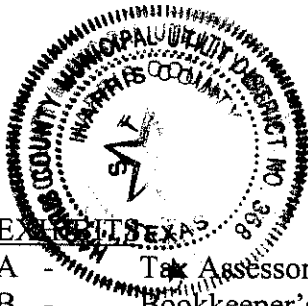
9. ATTORNEYS' REPORT. Ms. Corprew addressed the Board regarding the status of the Houston Garden Center ("HGC") water line easement. Discussion ensued regarding the agreement between the District and HGC regarding payment for the water line and easement along State Highway 249. Director Lackey read a letter from Pate to Mr. Archibald at HGC, a copy of which is attached hereto as Exhibit "D", which sets forth the terms of their agreement for service. Upon Motion by Director Ward, seconded by Director Bishop, after discussion and with all Directors present

voting aye, the Board agreed to install the water transmission line at the District's costs up to the HGC tract per the agreement of April 20, 2006.

10. EXECUTIVE SESSION. At 10:05 p.m., the President called an Executive Session to discuss matters pertaining to real estate negotiations with respect to the proposed site for Water Well No. 6. Present in the Executive Session were the members of the Board of Directors, the Engineer and the Attorney.
11. OPEN SESSION. At 10:48 p.m. the President reconvened the open meeting to vote on items considered in the Executive Session. Upon motion by Director Ward, seconded by Director Cook, with all Directors present voting aye, the Board authorized the Attorney and Engineer to proceed with alternative sites for Water Well No. 6.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, upon motion by Director Cook, the President adjourned the meeting at 10:50 p.m.

Passed and approved this 28<sup>th</sup> day of June, 2007.



  
Secretary, Board of Directors

- A - Tax Assessor/Collector's Report
- B - Bookkeeper's Report
- C - Interlocal Agreement (Water Wise Program) with HGSD
- D - April 20, 2006 letter from Pate to HGC