

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

## MINUTES OF BOARD OF DIRECTORS MEETING

October 8, 2007

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 6:30 p.m., at Graceview Baptist Church, 22510 Tomball Parkway, Tomball, Texas, on Monday, October 8, 2007, pursuant to the 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
Allison Dunn	Assistant Secretary

All members of the Board were present. Also attending were: Mark T. Stendahl, P.E., consulting engineer for Pate Engineers, Inc. ("Pate") ("Engineer"); Jeff Ross ("Pate"); and Andrew P. Johnson, III, attorney and Marian D. Henderson, paralegal, 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 and declared it open for such business as may come before it at 6:47 p.m.

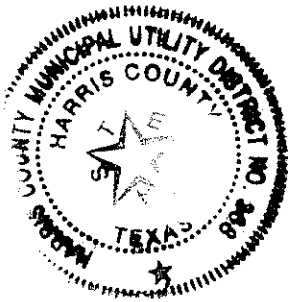
1. SCHEDULE FOR EASEMENT ACQUISITION. The President first recognized Mr. Ross, who first discussed the delays in updating the easement acquisition schedule to the Board. Mr. Ross stated that he and Pate are committed to serving the District and that had he known that there was an issue with deliverables to the District, he would have addressed the issue much sooner. Several Directors commented on the service issues. Mr. Ross assured the Board that if at any time they believe Pate is not being responsive to the District's needs, that they can call him directly for action. With that being said, Mr. Ross presented and reviewed with the Board a detailed schedule he had developed with the assistance of Mr. Stendahl, the appraisers, real estate attorneys and condemnation attorneys for acquiring the necessary site and easements required and planning and approvals with respect to the District's drilling of Water Well No. 6.

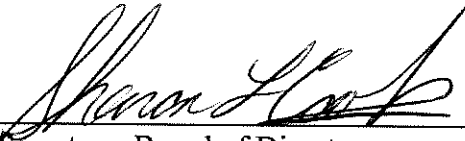
2. SECURITY FINANCING ALTERNATIVES. The President next recognized Mr. Johnson, who distributed and reviewed with the Board an updated spreadsheet of commercial customers with respect to the Board's desire to create a special commercial customer class to recoup a portion of the cost for the three (3) additional deputies added to the District's contract with the Harris County Constable's Office for security. Discussion ensued regarding the best method of generating revenue to offset the additional costs to the District. It was the consensus of the Board that a combination of a charge per equivalent single family connection

("ESFC") in conjunction with maintenance tax collected should be utilized to pay the additional costs for the three (3) deputies. The Board requested that Mr. Johnson revise the spreadsheet to include all non-residential customers, including homeowners associations, schools, churches and irrigation meters.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, upon motion by Director Cook, the President adjourned the meeting at 9:04 p.m.

PASSED AND APPROVED this \_\_\_\_\_ day of October, 2007.



  
Secretary, Board of Directors