

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Monday, November 3, 2008

The Board of Directors (the "Board") of the Harris County Municipal Utility District No. 368 (the "District") met in special session, open to the public, at 6:30 p.m. on Monday, November 3, 2008 at the District's meeting place located at 19412-1/2 Scarlett Cove, 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
Eric Daniel	Treasurer
Allison V. Dunn	Assistant Secretary

All members of the Board were present. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); and Joshua W. Golden, 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 at 6:38 p.m. for such business as may properly come before the Board.

Clarification of Operator's Invoice. Mr. Plunkett stated that he had spoken with the District's Bookkeeper the afternoon of the October 16th Board meeting regarding duplicate charges on the Operator's invoice. Mr. Plunkett stated that he or Mr. Riley usually review the invoices prior to their being sent out; however, due to circumstances beyond their control, neither one of them had a chance to review the invoice and for that he apologized to the Board. Mr. Plunkett stated that he understood that the Board's biggest contention with holding his check was that the billing description indicated the pumps had failed and this was directly opposite to what he had conveyed to the Board at the September 18th Board meeting. Mr. Plunkett affirmed that the language on the invoice was incorrect in that due to such high rainfalls and flooding, the Operator turned on the small pumps and flipped off one pump to hear the check valves, then turned the pump right back on. The pumps were operational during and after the Hurricane and performed as they were designed. Director Bishop stated that the language in the invoice would not typically be a problem, but the residents who attended the Board meeting immediately following the hurricane claimed that they were informed by employees of the Operator that the water pumps had failed. Director Bishop further stated that the billing description in the invoice supported the residents' report, which was clearly inconsistent with Mr. Plunkett's previous report.

Mr. Plunkett stated that he had corrected the invoice and forwarded it to Ms. Branco and that the corrected invoice was approximately \$1,300.00 less than the original invoice due to the duplicate work orders and the confusion during the Hurricane. Mr. Plunkett reiterated that at no time did he or anyone else from Eagle turn the pumps off, and that the pumps were operational at all times.

Director Lackey stated that he also has spoken with Mr. Plunkett and Mr. Riley regarding the information the field operators relay to the residents of the District. Discussion then ensued regarding triggers for "boil water notices". Director Dunn questioned the method of giving notice in case where there is no power. Mr. Plunkett stated that Director Lackey had suggested that the District have signs printed to read "Boil Water In Effect" and "Boil Water Notice Rescinded" that can be placed at the entrance of each of the District's Subdivisions.

Discussion then ensued regarding the District's Interconnect with Northwest Harris County MUD No. 15 ("NW15") and whether or not the valve was opened during the Hurricane. Director Lackey stated that Charles Townsend, the operator for NW15, had told him that he opened the Interconnect and took water from the District. The question then arose regarding the amount of fuel used and whether or not the District could be compensated for the additional costs. Director Daniel stated that prior to the next major event, the District needs to think of a fair and applicable charge during dual emergencies.

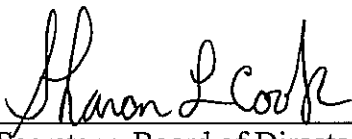
Upon motion by Director Cook, seconded by Director Lackey, after discussion and with all Directors present voting aye, the Board approved the Operator's invoice for payment and authorized the Bookkeeper to circulate the check for execution.

Condemnation of Sandlien Easement. EXECUTIVE SESSION. The President called an Executive Session at 7:19 p.m. pursuant to 551.072 to discuss matters pertaining to real estate negotiations with respect to the State Highway 249 waterline easement acquisition. At 7:25 p.m., the President declared the Executive Session over stating that no action was taken and the Board and reconvened the meeting in open session.

Minutes. Ms. Henderson next presented minutes of the April 17, 2008 and May 1, 2008 Board meetings and stated that the Board had previously approved the minutes and executed same; however, in preparing the District's audit, the Auditor discovered that the approval of the referenced minutes were not reflected anywhere in subsequent minutes. Therefore, it was necessary for the Board to re-execute the April 17, 2008 and May 1, 2008 minutes so that their approval is properly reflected in the minutes of this meeting. Upon motion by Director Cook, seconded by Director Daniel, with all Directors present voting aye, the Board approved the minutes of the April 17, 2008 and May 1, 2008 meetings.

There being no further business to come before the Board, the President adjourned the meeting at 7:30 p.m.

Passed and approved this 4th day of December, 2008.


Secretary, Board of Directors

