

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, April 2, 2009

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, April 2, 2009 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
Eric Daniel	Treasurer
Allison V. Dunn	Assistant Secretary

All members of the Board were present with the exception of Director Daniel. Consultants in attendance were: Mark T. Stendahl, P.E., consulting engineer; James Coursey of Eagle Water Management, Inc. ("Operator"); and Andrew P. Johnson, III, 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 6:50 p.m. for such business as may properly come before the Board.

1. **Public Comment.** None.
2. **Operator's Report:** Mr. Coursey next presented the Operator's Report, a copy of which is attached hereto as Exhibit "A".
 - a. **Monthly Operations.** Mr. Coursey first reviewed the monthly Operations Report including the collections and current billings. Mr. Coursey reported that the District had a 96.53% water accountability rating with a total of 3,246 accounts, and the Wastewater Treatment Plant is operating at 72% of capacity. Mr. Coursey reported that all the diesel fuel tanks had been topped off. Mr. Coursey also reported that the District experienced a high chlorine detect and that Harris County Pollution Control came out to inspect the facility as a result of the violation.
 - b. **Terminations.** Mr. Coursey then directed the Board's attention to the Termination List attached to the Operator's Report and affirmed that all Customers on the list were at least 60 days past due and had been notified of their right to attend this meeting to address the Board.

Upon motion by Director Bishop, seconded by Director Cook, after discussion and with all Directors present voting aye, the Board accepted the Operator's Report as presented,

authorized termination of the accounts listed on the Termination List in accordance with the provisions of the District's Rate Order.

3. **Engineer's Report.** The President next recognized Mr. Stendahl, who presented and reviewed the Engineer's Report with the Board, a copy of which is attached hereto as **Exhibit "B"**, as follows:
 - a. *Water Quality Monitoring.* Mr. Stendahl reported that the test results for March 2009 for Water Well Nos. 2, 3, 4 and 5 have been received and all test results are "non-detect".
 - b. *Stand-by Power Generators.* Mr. Stendahl reported that bid packages for the Generator purchase and separate installation are being prepared and will solicit bids from three (3) independent contractors.
 - c. *Water Well No. 6.* The site has been cleared to accommodate the drainage revisions approved by the Board and Pay Estimate No. 11 is being prepared and will be presented at the April 16, 2009 Board meeting for approval.
 - d. *Power Line Easement.* Mr. Golden stated that a new and final offer went out to Ferguson today and if it is not accepted by April 16, 2009, condemnation proceedings will be initiated immediately as authorized by the Board.
 - e. *Water Plant No. 1 – Motor Control Center.* Pay Estimate No. 3 and Final has been received from RESCO in the amount of \$19,626 and is recommended for payment.
 - f. *Wastewater Treatment Plant Expansion.* Mr. Stendahl presented Pay Estimate No. 17 from N&S Construction in the amount of \$42,982.00 and recommended approval for payment.
 - g. *12-inch Water Line Adjacent to State Highway 249.* Mr. Stendahl reminded the Board that the funds for the construction were included in Bond Issue No. 9 and upon execution of the plans by the County, the Board will need to request the release of the funds from escrow.
 - h. *Bond Issue #10.* Pate has received most of the Northern Pointe documentation required to complete the Application and signatures of the Engineer, Attorney and Financial Advisor to the Expedited Review Certificate will be acquired in the next few days and then the Application delivered to the TCEQ for approval.
 - i. *Conversion to Chloramine Disinfection.* Plans have been submitted to the City and State and according to the State's website they are not going to release their comments until early next month.
 - j. *GraceView Sewer Replacement.* Canyon Construction Company, Inc., the second lowest bidder on the project has agreed to honor their bid price even though it was

over 90 days old and they have submitted the necessary bonds and Certificates of Insurance for review by the Attorney. Ms. Henderson reported that she had verified the insurance and bonds and that everything appears to be in order. Mr. Stendahl then requested Board approval of the Contract and authorization to issue the Notice to Proceed.

- k. *Emergency Generator Load Cell and Trailer.* Nothing new to report, the Load Cell has not moved out of EFS' shop.
- l. *Sanitary Sewer Repairs.* Pate is moving forward and still expects to advertise the project in May; however, Mr. Stendahl stated that the Board may wish to delay the project until Bond Issue No. 10 is sold.
- m. *Security Camera and SCADA Installation.* BL Technology is making great progress with the SCADA installation. Field installation of poles and duct banks is complete except for the Well No. 6 site. Pay Estimate No. 6 from BL Technologies includes retainage of 5% of work completed to date and has been recommended for payment in the amount of \$97,784.94.
- n. *North Pointe East Stormwater Lift Station.* Mr. Stendahl reported that Electrical Field Service ("EFS") has submitted a proposal to install a "jockey pump," a low capacity submersible pump to pump the wet well down under low flow conditions. The proposal includes the pump, piping, electrical and controls, and an access hatch in the well deck all for \$14,560 and the Engineer requested Board approval of the proposal.

Upon motion by Director Bishop, seconded by Director Cook, after discussion and with all Directors present voting aye, the Board approved the Engineer's Report, as well as the following Engineering action items: (1) approval of Pay Estimate No. 17 from N&S Construction Co. LP in the amount of \$42,982.00 with respect to the Wastewater Treatment Plant Expansion; (2) approval of Pay Estimate No. 3 and final from RESCO in the amount of \$19,626 with respect to the Motor Control Center Replacement project at Water Plant No. 1; (3) approval of Pay Estimate No. 6 from BL Technology, Inc. in the amount of \$97,784.94 with respect to the Security and SCADA system Phase 1; and (4) approval of EFS' proposal in the amount of \$14,560 to install a "jockey pump" at the North Pointe East Storm Water Lift Station.

4. **General Business.**

- a. *Website.* Discussion ensued regarding the website. Director Dunn suggested that the website be updated to include an email address for the Directors and the time and location of the District's meetings.
- b. *Security.* There have been some break-ins.

c. *Northern Point HOA*. Mr. Golden reported that there had been no further response from the HOA.

5. **Attorney's Report.** The President next recognized Mr. Golden who presented the Attorney's Report as follows:

a. *Minutes*. The Board tabled approval of the minutes until the March 19, 2009 Board meeting.

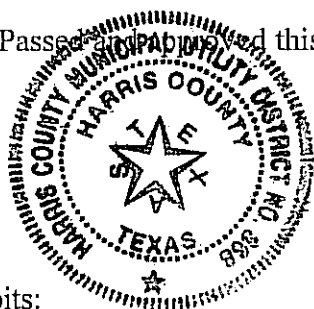
b. *Easements*. Mr. Golden updated the Board on the status of the various easement acquisitions necessary to commence and/or complete construction of District facilities.

c. *Emergency Interconnect with Northwest Harris County Municipal Utility District No. 15 ("NW15")*. Mr. Golden reported that Abrey Rubinsky, the attorney for NW15, had not responded to the draft Agreement forwarded to him for review.

Upon motion by Director Cook, seconded by Director Lackey, after discussion and with all Directors present voting aye, the Board approved the Attorney's Report.

There being no further business to come before the Board, upon motion by Director Dunn, the President adjourned the meeting at 7:46 p.m.

Passed and approved this 16th day of April, 2009.



Shanon L Cook
Secretary, Board of Directors

Exhibits:

- A -- Operator's Report
- B -- Engineer's Report