

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

## Minutes of Meeting Tuesday, March 10, 2015

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in regular session, open to the public, at 12:00 p.m. on Tuesday, March 10, 2015, 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, thus constituting a quorum. Consultants in attendance were: Matt Carpenter, P.E. of IDS Engineering Group ("IDS" or "Engineer"); Mike Plunkett and Dan Cunningham of Eagle Water Management, Inc. ("Eagle" or "Operator"); Andrew Dunn of On-Site Protection, Inc.; and Scott Eidman, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("Attorney").

The President called the meeting to order at 12:15 p.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There was no public comment.
- II. **General Business.**
  - A. **District's Website.** There were no matters to report.
  - B. **Pay Bills and Pay Estimates.** Ms. Croon presented invoices for the Board's execution related to Unlimited Tax Refunding Bonds, Series 2015, previously approved by the Board.
  - C. **Schedule special Board meeting.** The Board agreed to meet in special session on March 26, 2015 at 5 p.m. to discuss plans and specifications related to the District's security system.

III. **Operator's Report.** The President next recognized Mr. Plunkett who presented to and reviewed with the Board the Operator's Report, a copy of which is attached hereto as Exhibit "A". Mr. Plunkett reviewed the productivity report which indicated that the District's billed vs. produced water accountability was 90.4% for the period from January 14, 2015 through February 13, 2015. Mr. Plunkett noted that during the last month 94.67% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett then reviewed the sludge hauling report, a copy of which is attached to the Operator's Report.

Mr. Plunkett then reviewed with the Board the Termination List, a copy of which is attached to the Operator's Report, and affirmed that all Customers on the list were at least sixty (60) days past due and had been notified in writing of their right to attend this meeting to address the Board.

Next, upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) authorized termination of service to customers listed on the Termination List, in accordance with provisions of the District's Rate Order; and (ii) approved the Operator's Report as presented.

IV. **Engineer's Report.** Mr. Carpenter presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "B".

- A. Operations Committee Meeting. The Operations Committee meeting has been scheduled for March 30, 2015.
- B. Grand Parkway waterline and sanitary sewer force main relocation. Mr. Carpenter reported that the construction is complete. IDS plans to submit the final application package to Zachry-Odebrecht Parkway Builders in the coming weeks.
- C. Gladewater Drainage. Mr. Carpenter reported that IDS is planning to inspect the storm sewers in the next phase of televising and cleaning of the sanitary sewer system. IDS will finalize its recommendations once the lines have been televised.
- D. Proposed annexations. Mr. Carpenter stated the applications for the two (2) proposed annexations – Ashford Grove East and HMT – have been submitted to the City of Houston for review.
- E. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Carpenter reported that the February 2015 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Wells Nos. 2, 3, 4, 5, and 6 are non-detect.
- F. Phase 2 Sanitary Sewer Cleaning and Televising. Mr. Carpenter reported that the Operator is nearly complete with the recommended repairs.
- G. Phase 3 Sanitary Sewer Cleaning and Televising. Mr. Carpenter reported that plans for televising and cleaning are complete.
- H. Wastewater Treatment Plant ("WWTP") Odor Control. Mr. Carpenter reported that IDS is working with the Operator to prepare a proposal to install the equipment.
- I. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.

- J. Willow Falls, Section 4, WS&D. Mr. Carpenter reported that the sanitary sewer and storm sewer construction is complete. Paving construction is in progress.
- K. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- L. 68-Acre New Quest Property. Mr. Carpenter reported that Harris County Municipal Utility District No. 273 has entered into a water supply agreement with the City of Tomball.
- M. 136-Acre Finger Tract. There were no additional matters to report.
- N. HMT Property. Mr. Carpenter stated that the design is nearly complete. IDS is planning to advertise the project for bids in the coming weeks.
- O. Ashford Grove East, Section 1, Water, Sewer & Drainage Facilities. Mr. Carpenter reported that the design is nearly complete. IDS is planning to advertise the project for bids in the coming weeks.
- P. Ashford Grove East, Phase 1 Stormwater Detention Facilities. Mr. Carpenter reported that the design is nearly complete. IDS is planning to advertise the project for bids in the coming weeks.
- Q. Ashford Grove East, Sanitary Sewer Lift Station. Mr. Carpenter reported that the design is nearly complete. IDS is planning to advertise the project for bids in the coming weeks.

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

V. **Developer's Report.** There were no additional matters to report.

VI. **Attorney's Report.**

- A. Proposed Water Supply Agreement with HCMUD No. 273 (the "Agreement"); This matter was discussed under the Engineer's Report.
- B. Real Estate Matters Update. Ms. Croon presented for the Board's execution special warranty deeds in connection with the Ashford Grove Sections 2 and 3 detention ponds.
- C. Approval of minutes of the February 19, 2015 Board meeting. Upon motion by Director Dunn, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board approved the minutes of the February 19, 2015 Board meeting, as amended.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 1:05 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 19<sup>th</sup> day of March, 2015.

  
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Secretary, Board of Directors

**Exhibits:**

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