

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, May 21, 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 6:30 p.m. on Thursday, May 21, 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: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Katherine Turner and Kay Townsley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Debbie Arellano of Bob Leared Interests Inc. ("Tax Assessor/Collector"); Andrew Dunn and Matthew Dunn of On-Site Protection, LLC ("On-Site"); Corporal Thomason of the Harris County Precinct 4 Constable's Office ("HCCO"); and Scott Eidman, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney"). Also present was Kent Clingerman of Harris County Precinct 4.

The President called the meeting to order at 6:45 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. **Road and bridge maintenance update by Harris County Precinct 4.** The President recognized Mr. Clingerman who distributed a newsletter from Harris County Precinct 4, a copy of which is attached hereto as Exhibit "A". Mr. Clingerman also stated that any road and/or bridge maintenance issues may be reported to the Community Assistance Department at (281) 353-8424. Director Lackey reported on road maintenance issues at Three Lakes Blvd. and Diversion. Mr. Clingerman then thanked the Board for its time and departed the meeting.
- III. **Security Matters;**
 - A. **Security Report.** Corporal Thomason reviewed the Constable's security report for April 2015, a copy of which is attached hereto as Exhibit "B". Mr. Dunn presented the internet performance report for District facilities, a copy of which is attached to the Security Report.

IV. **General Business.**

- A. Emergency Operations and Repairs to District Facilities. Mr. Plunkett updated the Board regarding the manhole replacement project at the southeast corner of the Wastewater Treatment Plant. He noted that the site will be secured by a temporary fence.

Mr. Plunkett then directed the Board's attention to the District's Drinking Water Quality Report (also known as the Consumer Confidence Report, the "CCR"), a copy of which is attached hereto as Exhibit "C", and noted that the CCR will need to be distributed to the District's residents no later than July 1, 2015.

Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the CCR distribution to residents, subject to the attorney's review.

- B. Changes and Additions to District website. There were no matters to report.
- C. Monthly Recycling Report. The Board reviewed the April 2015 recycling report prepared by Residential Recycling of Texas, a copy of which is attached hereto as Exhibit "D".

[Director Daniel entered the meeting.]

- D. Resolution Authorizing Use of Surplus Funds Without the Approval of the Texas Commission on Environmental Quality ("Resolution"). Ms. Croon presented and reviewed the Resolution stating that the District may use the surplus funds from the Series 2009 Bonds to make blower and piping modifications at the WWTP without the Texas Commission on Environmental Quality approval.

Upon motion by Director Lackey, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board approved the Resolution, a copy of which is attached hereto as Exhibit "E".

- E. Resolution Authorizing Receipt of Electronic Bids for Certain Engineering Projects. Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Receipt of Electronic Bids for Certain Engineering Projects, a copy of which is attached hereto as Exhibit "F".

V. **Tax Assessor/Collector's Report.** The President recognized Ms. Arellano who presented and reviewed the Tax Assessor/Collector's Report for the month of April 2015, a copy of which is attached hereto as Exhibit "G". Ms. Arellano reported that 98.444% of the District's 2014 tax levy had been collected as of April 30, 2015.

Ms. Arellano also reported that Harris County Appraisal District has released the preliminary values for 2015 according to which the District's taxable value will increase 14 percent from \$514,383,807 in 2014 to \$586,453,577 in 2015.

Next, upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) approved the Tax Assessor/Collector's Report; and (ii) authorized payment of checks numbered 1072 through 1080 from the Tax Account.

VI. **Engineer's Report.** Mr. Carpenter presented the Contract for Water Distribution, Sanitary Sewer and Drainage Facilities ("WS&D") to Serve Ashford Grove East, Section 1 for the President's execution. Mr. Eidman presented easements for the President's execution regarding same. Upon motion by Director Cook, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board authorized the President to execute the WS&D Contract to Serve Ashford Grove East, Section 1 and easements regarding same.

VII. **Bookkeeper's Report.** Ms. Turner reviewed the Bookkeeping Report, a copy of which is attached hereto as Exhibit "H".

Next, upon motion by Director Cook, seconded by Director Bishop, after full discussion, and with all Directors present voting aye, the Board voted to (i) approve the Bookkeeper's Report; (ii) authorize payment of Check Nos. 13019 through 13316 from the Operating Fund; (iii) authorize payment of Check No. 1669 from the Capital Projects Fund; and (iv) approve the Budget for FYE May 31, 2016 reviewed at the April 16, 2015 Board meeting.

VIII. **Other matters.** Discussion next ensued regarding rescheduling of the June 18, 2015 Board meeting due to the Association of Water Board Director Summer Conference. After discussion, it was consensus of the Board to move the June 18, 2015 meeting to June 15, 2015 at 12 p.m.

IX. **Attorney's Report.**

- A. **Real Estate matters update, including Fence Encroachment Agreement.** There were no matters to report.
- B. **Approval of minutes of the May 7, 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 May 7, 2015 Board meeting, as amended.

X. **Executive Session.** Next, at 7:38 p.m., the President called an Executive Session, pursuant to Section 551.076 of the Open Meetings Act, to discuss security matters of the District. Only the Board members, Mr. Dunn, Mr. Eidman and Ms. Croon were present during the executive session.

XI. **Regular Session.** At 7:58 p.m. the Board reconvened the meeting in Regular Session. No action was taken in the Executive Session.

XII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:58 p.m.

Passed and approved this 4th day of June, 2015.


Secretary, Board of Directors

Exhibits:

- "A" Harris County Precinct 4 Newsletter
- "B" Security Report
- "C" Consumer Confidence Report
- "D" Recycling Report
- "E" Resolution Authorizing Use of Surplus Funds Without the Approval of the Texas Commission on Environmental Quality
- "F" Resolution Authorizing Receipt of Electronic Bids for Certain Engineering Projects
- "G" Tax Assessor/Collector's Report
- "H" Bookkeeper's Report